



Directors

Mr. N. Gopalaratnam (Chairman)
Dr. G.A. Pathanjali (Managing Director)
Mr. R. Vaidyanathan
Mr. A.L. Somayaji
Cmde R.P. Prem Kumar, VSM, (Retd.)
Mr. M. Natarajan
Mrs. Lalitha Lakshmanan
Mr. Rajeev Chaturvedi (Nominee of LIC)

Audit Committee

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

Nomination cum 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
Mr. R. Vaidyanathan

Secretary

Mr. S.V. Raju

Auditors

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

Internal Auditors

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

Bankers

UCO Bank
Indian Bank
Canara Bank

Registered Office

"Esvin House",
13, Old Mahabalipuram Road,
Perungudi,
Chennai - 600 096.
Phone : 91- 44 - 24960335 / 39279318
Email : investor@highenergy ltd.com
Web : www.highenergy.co.in

Corporate Identity Number

L36999TN1961PLC004606

Plant

Pakkudi Road, Mathur - 622 515
Pudukkottai District.
Phone : 91- 431 - 2660323 / 2660324
Email : info@highenergy ltd.com

Registrar & Transfer Agent

M/s. Cameo Corporate Services Ltd.,
"Subramanian Buildings", 5th Floor,
No.1, Club House Road,
Chennai - 600 002.



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NOTICE TO THE SHAREHOLDERS

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 57th Annual General Meeting of **HIGH ENERGY BATTERIES (INDIA) LIMITED** will be held at 11.00 A.M on Saturday, the 28th July, 2018 at New Woodlands Hotel Pvt. Ltd., No.72-75, Dr. Radhakrishnan Road, Mylapore, Chennai 600 004, to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

To consider and adopt the Financial Statements of the company for the year ended 31st March 2018 and the Reports of the Board of Directors and Auditors thereon.

2. Reappointment of retiring Director

To appoint a Director in the place of Mr. N Gopalaratnam, who retires by rotation and being eligible offers himself for reappointment.

SPECIAL BUSINESS - NO SPECIAL BUSINESS

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

S.V. RAJU
Secretary

Chennai
May 26, 2018



NOTICE TO THE SHAREHOLDERS

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 poll instead of himself and such proxy need not be a member of the Company.**
2. Proxies in order to be effective, must be received at the Registered Office of the Company not later than 48 hours before the meeting i.e. 11.00 A.M. 26th July, 2018.
3. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, 23rd July, 2018 to Saturday, 28th July, 2018 (both days inclusive).
4. Members holding shares in Physical Form are requested to notify promptly any change in their address to the Registrar and Share Transfer Agent of the Company, M/s. Cameo Corporate Services Limited, Chennai - 600002 by quoting their Membership Number, besides changes, if any, in dividend mandates given by them. Members holding shares in Electronic Form may communicate the above information to their respective Depository Participants.
5. Members holding 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.
6. **Voting facilities**
 - a) **Remote e-Voting**
Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management &

Administration) Rules 2014 and amendment thereto the company provides facility for its members to exercise their voting right by electronic means.

b) Voting at AGM

The company also offers the facility for voting through polling paper at the meeting.

c) Voting option

Please note that a shareholder can vote only under any one of the two options mentioned above.

d) Voting instructions

Process and manner of voting instructions are given below:-

(A) Remote e-Voting

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 and amendment thereto the company is pleased to provide to its members the facility to exercise their right to vote at the 57th Annual General Meeting (AGM) on resolutions proposed to be considered thereat by electronic means. For this purpose, "remote e-Voting" (hereinafter mentioned 'e-Voting') facility is offered whereby a member can cast his vote using an electronic system from a place of his choice other than the venue of AGM.
2. The e-Voting facility is offered through e-Voting services provided by Central Depository Services (India) Limited (CDSL).



NOTICE TO THE SHAREHOLDERS

3. E-Voting commences on Wednesday, the 25th July 2018 (09.00 AM) and ends on Friday, the 27th July 2018 (5.00 PM). The e-Voting portal will be blocked by CDSL for voting thereafter.

Manner of e-Voting

4. Instructions for e-Voting for members receiving an email from CDSL pursuant to their email IDs having been registered with the company/ Depository Participants:
- (i) User ID and password are required for e-Voting. If you are holding shares in Demat form and logged on to www.evotingindia.com and cast your vote earlier for EVSN of any company, then your existing login id and password are to be used. Else, follow clause (v) to (vii) for login.
 - (ii) Launch the internet browser during the voting period. Type the URL in the address bar www.evotingindia.com. Home screen opens.
 - (iii) Click on "Shareholders" tab to cast your vote.
 - (iv) Now, select the Electronic Voting Sequence Number - "EVSN" along with "**COMPANY NAME**" from the drop down menu and click on "SUBMIT"
 - (v) Now, fill up the following details in the appropriate boxes:

USER ID

For Members holding shares in Demat Form

For NSDL : 8 Character DP ID
followed by 8 Digits Client ID

For CDSL : 16 digits beneficiary ID

For Members holding shares in Physical Form

Folio Number registered with the Company.

PAN*

Enter your 10 digit alpha-numeric *PAN (case sensitive) issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders).

DOB#

Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.

DIVIDEND BANK DETAILS#

Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.

- * Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in block letters and the sequence number (8 digits) printed in the address slip in the PAN field. Eg. if your name is Ramesh Kumar and sequence number 00001234 then enter RA00001234 in the PAN field.
- # Please enter any one of the details in order to login.
- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then reach directly to the voting screen. However, members holding shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum



NOTICE TO THE SHAREHOLDERS

eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ % & *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) Select EVSN (Electronic Voting Sequence Number) **180621012** of High Energy Batteries (India) Limited.

- (ix) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.

- (xi) 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.

- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

5. In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

Please follow all steps from Sl. No.4 (ii) to Sl. No.4 (xii) above, to cast vote.

6. E-voting cannot be exercised by a proxy. Institutional shareholders (i.e. other than

individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.

7. During the voting period, security holders can login any number of times till they have voted on all the resolutions. They can also decide to vote only on some of the resolutions.

HELP CENTRE

8. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or send an email to helpdesk.evoting@cdslindia.com.

9. Person responsible to address the grievances connected with the facility for e-Voting:

Name : Mr Rakesh Dalvi
Designation : Manager

Address : Central Depository
Services (India) Limited
A Wing, 25th Floor,
Marathon Futurex,
Mafatlal Mills Compounds,
N M Joshi Marg,
Lower Parel (E),
Mumbai - 400 013.

Phone No. : 1800 225 533

Email ID : helpdesk.evoting@cdslindia.com

B) VOTING AT AGM

1. The company also offers the facility for voting through polling paper at the meeting. The members as on the cut-off date attending the AGM are entitled to



NOTICE TO THE SHAREHOLDERS

exercise their voting right at the meeting in case they have not already cast their vote by e-Voting.

2. Members who have cast their vote by e-Voting are also entitled to attend the AGM but they cannot cast their vote at the AGM.
3. The Chairman will fix the time for voting at the meeting. Shareholders present in person or by proxy can vote at the meeting.

(C) General Instructions

1. The cut-off date for the purpose of e-voting has been fixed as Saturday, the 21st July 2018. Members holding shares as on this date cut-off date should endeavour to cast their vote in any one of the two modes.
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 despatching the 57th Annual Report for 2017-18 to them as and when they become members. In addition, the Annual Report is available on the company website. They may follow the same procedure for voting.
3. Voting rights of shareholders shall be in proportion to their shareholding in the company as on the cut-off date of 21st July 2018.
4. In case a shareholder by inadvertence or otherwise has voted under more than one option, his voting by only one mode through remote e-voting, or voting at the meeting will be considered in that seriatim.
5. Mr. A.S. Kalyanaraman, Practising 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 e-Voting.
- (iii) All 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 e-Voting) of the total votes cast in favour or against, if any, 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.

7. Voting Results

- (i) The Chairman or a person authorized by him in writing shall declare 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 and on the website of CDSL www.evotingindia.com immediately after the result is declared and also communicated to BSE.
- (iii) Subject to receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of AGM.

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

S.V. RAJU
Secretary

Chennai
May 26, 2018



Details of Director seeking reappointment pursuant to Regulation 36 (3) of SEBI (LODR) Regulations, 2015.

Name of Director / Qualification / DIN / Date of birth (DOB) / Date of Appointment (DOA)	Expertise in specific functional areas	Directorship in other companies	Committee position held in other companies	No. of shares held/ Relationship between Directors inter-se
Mr. N. Gopalaratnam B.Sc., (Physics) B.E. (Mech. Engg) DIN : 00001945 DOB: 15.04.1947 DOA: 06.06.1991	Long and varied experience in management of projects, operations and overall management of diverse industries engaged in Pulp, Paper, Sugar and Batteries	Chairman 1. M/s. Seshasayee Paper and Boards Ltd., 2. M/s. Ponni Sugars (Erode) Ltd., 3. M/s. SPB Projects and consultancy Ltd., 4. M/s. Esvi International (Engineers & Exporters) Ltd., 5. M/s. Time Square Investment Ltd.,	Chairman 1. Stakeholders Relationship Committee and CSR Committee in M/s. Ponni Sugars (Erode) Ltd., 2. CSR Committee in M/s. Seshasayee Paper & Boards Ltd., Member 1. Nomination Cum Remuneration Committee in M/s. Ponni Sugars (Erode) Ltd., 2. Audit Committee & Stake holders Relationship Committee in M/s. Seshasayee Paper & Boards Ltd.,	No. of shares held 10200 Shares Relationship between Directors inter-se : NIL



BOARD'S REPORT

Your Board hereby present their 57th Annual Report and the Audited Accounts for the year ended 31st March, 2018.

OPERATING RESULTS

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

(₹ in Lakhs)

Particulars	For the year Ended					
	(As per IND AS)			(As per IGAAP)		
	2017 - 2018		2016 - 2017		2016 - 2017	
Sales		5937.11		4718.99		4683.17
(Net of Excise Duty and VAT / Sales Tax)						
Other Income		13.82		15.89		51.70
Total Income		5950.93		4734.88		4734.87
Profit / (Loss) before Finance Cost, Depreciation and Tax		1082.57		663.69		709.30
Less:						
1. Finance Cost	490.90		417.40		530.59	
2. Depreciation	128.64	619.54	132.01	549.41	132.01	662.60
Profit / (Loss) Before Tax		463.03		114.28		46.70
Less:						
Provision for Taxation:						
MAT		16.13		-		-
Deferred Tax net of MAT Credit		101.12		200.32		12.77
Income Tax relating to Previous year		17.32		-		-
Net Profit / (Loss)		328.46		(86.05)		33.93
Other Comprehensive Income		12.69		52.90		-
Total Comprehensive Income		341.16		(33.15)		-

During the year, the company's turnover was ₹ 5937.11 Lakhs as compared to the Turnover of ₹ 4718.99 Lakhs during the previous year. Regular receipt of orders from our customers helped us to achieve higher turnover.

DIVIDEND

In the absence of distributable profits, no dividend is recommended.

PERFORMANCE HIGHLIGHTS

SILVER ZINC BATTERIES

The company achieved a turnover of ₹ 4824.16 Lakhs during the year as against ₹ 4100.24 Lakhs during the previous year. This year major orders were received from Navy for torpedoes propulsion batteries. Many of the development cum supply orders pertaining to Missile batteries from DRDL, RCI and BrahMos contributed to achieve higher turnover.



BOARD'S REPORT (Continued)

NICKEL CADMIUM BATTERIES

The company achieved a turnover of Rs.226.45 Lakhs against ₹ 412.58 Lakhs during the previous year. Orders for batteries are regularly received from Airforce for SU30 Aircraft and Battery for other fighter Aircraft.

Due to low margin, orders for Pocket Plate type Industrial Battery were not entertained resulting in reduction of turnover.

LEAD ACID BATTERIES (LAB)

During the year, the turnover of LAB division was ₹ 886.50 Lakhs as against ₹ 206.17 Lakhs. Production and sales were achieved during the year through supplies to Private labelers(PL), consisting mainly of VRLA Battery for UPS back-up. The company is looking for diversification of market in the current year to achieve breakeven.

EXPORTS

The company could achieve a turnover of ₹30.02 Lakhs towards export to our regular customers. Our effort, to secure sizeable export orders, is continuing persistently and processing of orders by a couple of customers abroad, is in the final stage and is expected to materialize during the current year.

Your Company participated in DEFEXPO at Chennai during 11th April 2018 to 14th April 2018 and exhibited Company's products. The stall was visited by Defence Minister, Scientific Advisor and other respected dignitaries. Also got good response from foreign customers.

CURRENT YEAR - 2018 - 19

With sizeable orders on hand and also orders in the pipeline, the company hopes to achieve better turnover in the Silver Zinc division with a higher level of margin. Our efforts to have orders in Nicad for both Aircraft battery & Industrial battery and Export are also expected to yield good results, in terms of order book and performance.

For the Lead Acid Battery division, the Company is focusing on PL Business especially of VRLA battery and Battery for e-rickshaw (EV) through established firms and all efforts are on to achieve higher turnover with breakeven performance.

FINANCE

Delay in realisation of payments from Government Departments affected the liquidity position of the company for the year under review. However, due to the increase in Turnover, Bank operations have slightly eased up. Company envisages a better liquidity cum financial position in the current year, with support of our Banks and clearance of our proposal for Working capital limits.

ISO SYSTEMS

The Company Quality Management Systems (QMS) ISO 9001:2015 and Environmental Management Systems (EMS) ISO 14001:2015, continue to be accredited for Aerospace & Naval Battery division. For the Lead Acid Battery division, the company continues to have QMS accreditation and will progress with EMS certification during the current year.

RESEARCH AND DEVELOPMENT

The Company is engaged in the development of new batteries for Missiles such as BrahMos, ASL, ANSP and is presently in the advanced stages of Qualification for Airversion of BrahMos Missiles.

Silver Oxide Zinc Pile type battery development is in progress, initiated through DRDO Laboratory for a strategic high power, high energy underwater propulsion requirement.

The Company expects to get regular production orders for the batteries successfully developed and delivered.

Development of Lead Acid Batteries of medium range VRLA types and Battery for e-rickshaw (EV) is in progress. Also, testing at external Laboratories for third party certification is in progress.



BOARD'S REPORT (Continued)

CORPORATE GOVERNANCE

Compliance with the provisions of Corporate Governance is not mandatory to the Company, as your company's paid-up capital and net worth is less than the limit prescribed under Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, utmost importance has been given to good Corporate Governance in all its activities. A report on Corporate Governance is annexed herewith, marked as **Annexure - 1** to this Report.

Section 134(3) of the Companies Act, 2013 requires the Board's Report to include several additional contents and disclosures. The applicable contents and disclosures have accordingly been made in the Corporate Governance Report at the appropriate places which form an integral part of this Report.

EXTRACT OF ANNUAL RETURN

Details forming part of the extract of the Annual Return in Form MGT-9 are given in **Annexure - 2**.

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 judgements 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 this Act 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 said internal financial controls are adequate and were operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company did not give any Loan or Guarantee or provided any security 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) of the Companies Act, 2013 read with Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014, the reporting requirements thereunder are not applicable.

MATERIAL CHANGES AND COMMITMENTS

There is 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 31st March 2018 to the date of this report.

CONSERVATION OF ENERGY ETC.

Information relating to conservation of energy, technology absorption and foreign exchange



BOARD'S REPORT (Continued)

earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in **Annexure - 3**

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Section 135 of the Companies Act, 2013 mandates every company having minimum threshold limit of net worth, turnover or net profit, as prescribed to constitute a Corporate Social Responsibility Committee, and also to formulate corporate social responsibility policy that shall indicate the activities to be undertaken by the company. Since the company does not meet the criteria for constituting Corporate Social Responsibility Committee, it remains outside the purview of Section 135 of the Companies Act, 2013 and consequently the reporting requirements thereunder are not applicable.

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 - 4**.

ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS

- 1) 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.
- 2) Internal auditors are present at the Audit Committee meetings where internal audit reports are discussed alongside of management comments and the final observation of the internal auditor.
- 3) 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.

ADOPTION OF THE INDIAN ACCOUNTING STANDARDS (Ind AS)

The Company hitherto was following IGAAP notified under the Companies (Accounting Standards) Rules, 2006. It has now adopted the Indian Accounting Standards (Ind AS) from FY 2017 -18 as mandated and restated the financial statements for FY 2016-17 for presenting comparative information. Accordingly, the financial statements for current year including comparative figures of previous year are based on Ind AS and in accordance with the recognition and measurement principles stated therein. The impact of the application of Ind AS is disclosed in the notes to Financial Statements.

DIRECTORS

The Board regrets to inform the demise of our director RAdm S Mohapatra on 10.02.2018. He held eminent positions in Indian Navy, DRDO laboratory and BrahMos Ltd and took part effectively in all our Board proceedings. The Board wishes to place on record his valuable contributions to the company as Director.

All the Independent Directors have given the declaration that they comply with the criteria on independence, as laid down under Section 149(6) of the Companies Act, 2013. The performance evaluation of independent directors has been done by the entire Board of Directors, excluding the director being evaluated at its meeting held on 22nd March 2018. The Board on the basis of such performance evaluation determined to continue the term of appointment of all the Independent



BOARD'S REPORT (Continued)

Directors who have been appointed by the Company at its 53rd AGM for a fixed term upto 31st March 2019.

AUDITORS

M/s. Maharaj N R Suresh and Co, Chartered Accountants, Chennai (Firm Registration No.001931S) were appointed as Statutory Auditors by the shareholders in the 56th Annual General Meeting for a period of five years till the conclusion of the 61st Annual General Meeting of the Company on such remuneration to be fixed by the Board of Directors on the recommendation of Audit Committee from time to time. This was subject to ratification by members at every AGM, in accordance with the first Proviso to Section 139(1) of the Companies Act, 2013 as may be amended from time to time. This requirement for annual ratification at AGM has been dispensed with by the Companies (Amendment) Act, 2017 effective 7th May 2018. Accordingly no ratification is required henceforth and the Statutory Auditors would continue in the normal course till the conclusion of 61st AGM.

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, attached as **Annexure - 5**.

ACKNOWLEDGEMENT

Your Directors wish to express their sincere thanks to :

- (i) all the valued customers viz Defence Services, VSSC, ISRO, DRDO Laboratories and Ministry of Defence for the whole-hearted support and encouragement provided by them for indigenisation efforts on sophisticated high energy batteries for strategic applications;

- (ii) the Overseas customers, who have reposed utmost faith and confidence in our products;
- (iii) the Lead Acid Battery Customers, Dealers, Distributors and Institutional Indentors, like Postal and Railways;
- (iv) the Bankers, for extending timely financial support for the continued successful performance of the Company;
- (v) the Employees at all levels of the company for their commendable performance and
- (vi) to all suppliers and Shareholders for their continued support.

(For the Board of Directors)

N. GOPALARATNAM
Chairman

Chennai
May 26, 2018



ANNEXURE - 1 to BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

APPLICABILITY OF CODE OF CORPORATE GOVERNANCE

SEBI Notification dated 2nd September, 2015 modified the Listing Agreement as Listing Regulations, 2015. According to the said Regulation, the Listing regulation is applicable to all companies whose equity shares are listed on a recognized stock exchange. However, compliance with the corporate governance provisions shall not apply, in respect of

- The listed entity having paid up equity share capital not exceeding rupees Rs.10 crores and net worth not exceeding Rs.25 crores, as on the last day of the previous financial year.
- The listed entity which has listed its specified securities on the SME Exchange.

Though the compliance with the provisions of Corporate Governance is not mandatory to the Company, utmost importance has been given to good Corporate Governance in all its activities.

Board of Directors

The Board comprises of Non-Executive, Executive and Independent Directors. The Board consists of 8 Directors comprising of one Non-Executive Chairman, one Executive Director, one Non-Executive Director, four Independent Directors and one Nominee Director as on 31st March 2018. No Director holds membership of more than 10 Committees of Board nor is Chairman of more than 5 such Committees. No Director is a relative of any other Director. The age of every Director, including Independent Director, is above 21.

Number of Board Meetings and Directors' Attendance Record

Name of Director	Date of Initial Appointment	Category	No. of Equity Shares held	Attendance at Board Meetings during 2017 - 2018		As on 31 st March 2018 (Including HEB)			Attendance at last AGM
				No. of Meetings	%	No. of Director-ships	Committee Position		
							As Chairman	As Member	
Mr. N. Gopalaratnam	06-06-1991	Non- Executive Chairman, Promoter	10200	6	100	6	4	3	YES
Dr. G.A. Pathanjali	30-05-2012	Managing Director	100	5	80	1	-	1	YES
Mr. R. Vaidyanathan	27-09-1961	Promoter	2500	5	80	2	-	1	YES
Mr. A.L. Somayaji	23-03- 2002	Independent	Nil	6	100	4	2	-	YES
Commodore R.P. Prem Kumar (Retd.)	08-06-2002	Independent	Nil	6	100	1	-	2	YES
Mr. M. Natarajan	30-09- 2014	Independent	Nil	6	100	2	-	-	YES
RAdm S. Mohapatra*	30-09- 2014	Independent	Nil	-	-	-	-	-	NO
Mrs. Lalitha Lakshmanan	28-05-2016	Independent	Nil	6	100	2	-	2	YES
Mr. Rajeev Chaturvedi	29-05-2017	Nominee of Life Insurance Corporation of India	Nil	3	50	1	-	1	YES

* RAdm S Mohapatra, Independent Director passed away on 10.02.2018.



ANNEXURE - 1 to BOARD'S REPORT

Board Meetings

During the year 2017-18, 6 Board Meetings were held on 29.05.2017, 05.08.2017, 26.08.2017, 11.11.2017, 10.02.2018 and 22.03.2018. The last Annual General Meeting was held on 05.08.2017.

Independent Directors Meeting

The Companies Act 2013 requires all the Independent Directors to meet atleast once in a year. The meeting must be convened without the presence of the non-independent directors and members of the management. The Independent Directors in their meeting also evaluate the performance of the chairperson of the company and review the performance of the non-independent directors and the Board as a whole of the company. These measures would immensely aid in ensuring the smooth and proper functioning of the Board of Directors of a company. The Independent Directors met one time during the financial year 2017-18, on 22nd March 2018 and assessed the performance of the company and other directors and advised the Board accordingly.

Audit Committee Meeting

The Audit Committee was constituted on 30.05.2014 as required under Section 177(1) of the Companies Act, 2013. The Audit Committee comprises of three Independent Directors and one Nominee Director. The Chairman of the Committee is an Independent Director. The Committee is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Committee met 5 times during the year on 29.05.2017, 26.08.2017, 11.11.2017, 10.02.2018 and 22.03.2018. Details of its composition and attendance are given hereunder:-

Name of Member	Status	Attendance at Meetings	
		No.	%
Mr. A.L. Somayaji	Chairman	5	100
Comde. R. P. Prem Kumar	Member	5	100
Mrs. Lalitha Lakshmanan	Member	5	100
Mr. Rajeev Chaturvedi*	Member	1	20

*Mr Rajeev Chaturvedi, Nominee Director, was inducted as Member in the Audit Committee Meeting held on 11.11.2017.

Stakeholders Relationship Committee

The Committee's role and responsibilities are to expeditiously process transfers, transpositions, transmissions, sub-divisions and consolidations of securities complying with the Act, SEBI Regulations and Listing requirements and redressal of Investors' grievances. Further, to ensure speedy processing of regular securities transactions pertaining to small investors, the Board has delegated powers to the Managing Director and the Secretary.

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 29.05.2017, 05.08.2017, 11.11.2017 and 10.02.2018. Details of its composition and attendance are given hereunder:-

Name of Member	Status	Attendance at Meetings	
		No.	%
Mr. N. Gopalaratnam	Chairman	4	100
Mr. R. Vaidyanathan	Member	3	75
Dr. G. A. Pathanjali	Member	4	100

Nomination cum Remuneration Committee

The Nomination cum Remuneration Committee comprises of 3 Non-Executive Directors. The



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Nomination cum Remuneration Committee is vested with all the necessary powers and authority to ensure the criteria for

- appointment of Executive, Non-Executive and Independent Directors to the Board.
- determining qualifications, positive attributes and independence of Directors.
- identifying candidates who are qualified to become Directors and recommending to the Board their appointment and removal.
- reviewing and determining all elements of remuneration package for Executive directors and key managerial personnel i.e. salary, benefits, etc.
- formulation of criteria for evaluation of independent directors and the board.

The Committee met once during the previous year on 22.03.2018.

Details of its composition and attendance are given hereunder:-

Name of Member	Status	Attendance at Meetings	
		No.	%
Mr. A.L. Somayaji	Chairman	1	100
Mr. R. P. Prem Kumar	Member	1	100
Mrs. Lalitha Lakshmanan	Member	1	100

Committee Minutes

The minutes of the Committee meetings are prepared by the Secretary, approved by the Chairman of the Meeting and the same are circulated to the Board in the succeeding meeting and recorded thereat.

Governance Process & Policies

(i) Policy on Director's Appointment & Remuneration

The Board on the recommendations of the Nomination-cum-Remuneration Committee meeting held on 26th March 2015 had approved a Nomination and

Remuneration Policy. It inter alia deals with the manner of selection of Board of Directors and Managing Director and their remuneration. This policy is framed as per Section 178 (3) of the Companies Act, 2013.

1. Criteria for selection of Non- Executive Directors

- The Committee will identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as director.
- Directors would be chosen from diverse fields of expertise drawn from industry, management, finance and other disciplines.
- 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 Regulation.
- 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.
- 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 remuneration package commensurate with competition, size of the company, its nature of business and considered appropriate to the respective role and responsibilities.



ANNEXURE - 1 to BOARD'S REPORT

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

3. Remuneration of Directors & Key Managerial Personnel

The Nomination-cum-Remuneration Committee recommends the remuneration of directors and KMPs which is approved by the Board of Directors and where necessary further approved by the shareholders through ordinary or special resolution as applicable.

The Managing Director is the only executive director entitled for managerial remuneration. Dr. G.A. Pathanjali has been appointed as Managing Director for a tenure of three years from 01.04.2014 to 31.03.2017. On 25.03.2017 the Board of Directors at their meeting held on 25th March 2017 have re-appointed Dr G A Pathanjali as Managing Director of the company for a further period of three years from 1st April 2017 to 31st March 2020 and approved the remuneration package based on the recommendation of the Nomination-cum-Remuneration Committee. Regarding Minimum remuneration, the Board of Directors has to decide on yearly basis the quantum of special allowance to be paid to Managing Director in addition to the salary and perquisites in the event of loss or inadequacy of profits as per the resolution approved by the members at the Annual General Meeting held on 05.08.2017. His remuneration for FY 2017-18 is disclosed under Note No. 37 of the Financial Statements. There is no service contract containing provisions of notice period or severance package.

Dr G A Pathanjali, Managing Director, Mr. S.V. Raju, Company Secretary and Mr R Swaminathan, Chief Financial Officer are the Key Managerial Personnel.

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 of Directors

Non Executive Directors are paid sitting fee of Rs. 5000/- 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:-

Directors	Amount in ₹		
	Sitting Fee for Board Meeting	Committee Meeting*	Total
Mr. N. Gopalaratnam	30000	20000	50000
Mr. R. Vaidyanathan	25000	15000	40000
Mr. A. L. Somayaji	30000	30000	60000
Mr. R. P. Prem Kumar	30000	30000	60000
Mr. M. Natarajan	30000	-	30000
RAAdm. S. Mohapatra	-	-	-
Mrs. Lalitha Lakshmanan	30000	30000	60000
Mr. Rajeev Chaturvedi Nominee of LIC	15000	5000	20000
TOTAL	190000	130000	320000

* Stakeholders Relationship Committee, Audit Committee and Nomination-Cum-Remuneration Committee.

(ii) Performance Evaluation

The Board of Directors in March 2015 on the recommendations of the Nomination-



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cum-Remuneration Committee approved the Board evaluation framework. In order to improve the evaluation process, SEBI vide its circular dated 05.01.2017 elaborated various aspects of Board evaluation. Hence, the Board of Directors in its meeting held on 22.03.2018 carried out the evaluation process on the recommendation of Nomination-cum-Remuneration Committee. It has 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 & the Chairperson
- ◆ Individual evaluation of Independent Directors

Evaluation of all Board members is done on an annual basis. Templates incorporating specific attributes are used and commonly agreed comments and remarks are recorded against each attribute.

The Independent Directors in their exclusive meeting on 22.03.2018 did the evaluation on the performance of Chairperson, non-independent directors and the Board as a whole. They have expressed overall satisfaction on such evaluation. All the Independent directors were present at this meeting.

The Board at its meeting held on 22.03.2018, evaluated the performance of each of the 3 Committees and also the functioning of each of the Independent

Directors (excluding the Independent Director being evaluated). The Board has recorded its overall satisfaction and decided in terms of Para VIII(2) of Schedule IV to the Companies Act, 2013 that Independent Directors be continued in their respective offices.

(iii) Code of Conduct

The Board had formulated a Code of Conduct for Directors and Senior Management Personnel of the Company which is posted on its website. It is hereby affirmed that all the Directors and Senior Management Personnel have complied with the Code and a confirmation to this effect has been obtained from them individually for FY 2017-18.

Further, the senior management personnel have declared to the Board that no material, financial or commercial transactions were entered into by them during FY 2017-18 where they have personal interest that may have a potential conflict with the interest of the Company at large.

(iv) 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 means of a properly defined framework.

The company has laid down appropriate procedures to inform the Board about the risk assessment and minimization procedures. The Board periodically revisits and reviews the overall risk management plan for making desired



ANNEXURE - 1 to BOARD'S REPORT

changes in response to the dynamics of the business. The company is not currently required to constitute a Risk Management Committee as it is applicable to top 100 listed entities, determined on the basis of market capitalization, as at the end of the immediate previous financial year according to Regulation 21 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

(v) 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 2017-18.

(vi) Policy for Prevention of Sexual Harassment at Workplace

The company has framed a Policy for Prevention of Sexual Harassment at Workplace as per 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 2017-18.

(vii) Document Preservation

Pursuant to Regulation 9 of the Listing Regulations, the company has framed a policy for preservation of records. This

Policy covers all corporate records of the company whether in paper or digital form and applies to all departments and business functions of the company. This Policy has been uploaded on the Company's website.

Other Compliances

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 communicated to BSE 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 immediately posted on the company's website.

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 necessary.

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's practices and procedures mostly meet with all these prescriptions and residual requirements will be taken care of.

Pursuant to Section 204(1) of the companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has



ANNEXURE - 1 to BOARD'S REPORT

appointed Mr. B Kalyanasundaram, Practicing Company Secretary (Membership No. A672, C.P.No.2209) to undertake the secretarial audit of the company for FY 2017-18. The secretarial audit report was placed before the Board on 26th May 2018.

There are no qualifications in the secretarial audit report.

Internal Auditor

Pursuant to Section 138(1) of the Companies Act, 2013 the company has appointed M/s R Subramanian and Company LLP (Firm Reg.No.004137S/S200041), Chennai to conduct internal audit of the functions and activities of the company for FY 2017-18. 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 held on 26th May 2018.

Review of Directors' Responsibility Statement

The Board in its Report has confirmed that the annual accounts for the year ended 31st March 2018 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

Subsidiary Companies

The Company has no subsidiary.

Deposits

The company has not accepted deposits from the public and there are no outstanding dues in respect thereof.

Disclosures

- (i) No strictures / penalties have 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

Audited/Unaudited Financial Results

Period	Date of Approval by Board	Date of Publication	Newspaper
Quarter ended * 30 th June, 2017	26.08.2017	28.08.2017	Business Standard and Makkal Kural
Quarter ended * 30 th September, 2017	11.11.2017	13.11.2017	Business Standard and Makkal Kural
Quarter ended * 31 st December, 2017	10.02.2018	12.02.2018	Business Standard and Makkal Kural
Year ended ** 31 st March, 2018	26.05.2018	28.05.2018	Business Standard and Makkal Kural

** Audited

* Unaudited

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 is available on the Stock Exchange Website (www.bseindia.com) and the Company's Website www.highenergy.co.in upon approval by the Board of Directors.

Others

Management Discussion and Analysis Report is made a part of the Annual Report and covered in the Board's Report.



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- The Company operates in two segments viz;
- (a) Aerospace, Naval & Power System Batteries and
 - (b) Lead Acid Storage Batteries

Segment wise reporting is done as per standard.

General Shareholder Information

Provided in the "Shareholder Information" section of the Annual Report.

Compliance Certificate of the Auditors

Not Applicable

Shareholder Information

AGM Details

Date and Time	Saturday, the 28 th July, 2018, 11.00 A.M.
Venue	New Woodlands Hotel Pvt. Ltd., No.72-75, Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004.
Book Closure	Monday, the 23 rd July, 2018 to Saturday, the 28 th July, 2018 (Both days inclusive)
Cut-off date for e-voting	Saturday, the 21 st July, 2018

Listing

Name & Address	Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 Phone : 022 - 2272 1233 2272 1234 Fax : 022 - 2272 2082 E-mail : corp.relations@bseindia.com Website : www.bseindia.com
Listed from	May 1962
Stock Code	504176

The Listing Fee for the financial year 2018-19 has been paid to the above Stock Exchange.

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**. The details of dematerialised and physical holding as on 31st March 2018 are furnished hereunder:

Mode of holding	Shareholders		Equity Shares	
	No.	%	No.	%
Physical	344	12.86	60825	3.39
Demat	2332	87.14	1731943	96.61
Total	2676	100.00	1792768	100.00

Registrar and Share Transfer Agent

For Physical and Demat Forms:
Cameo Corporate Services Ltd.
"Subramanian Building", 5th Floor
1, Club House Road, Chennai 600 002
Phone : 044-28460390(5 Lines)
Fax : 044-28460129
E-mail : investor@cameoindia.com

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

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 of the Companies (Share Capital and Debentures) Rules, 2014 which can be had on request or downloaded from Company / MCA website. In the case of Demat holding, shareholders shall submit the same to their Depository Participants.



ANNEXURE - 1 to BOARD'S REPORT

Investor Correspondence

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

- respective Depository Participants, in case of demat holding
- 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: 044 - 24960335 / 39279318
Fax: 044- 24961785
Email: investor@highenergytld.com
Website:www.highenergy.co.in

Compliance Officer

Mr. S. V. Raju, Secretary of the Company 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.

Share Transfer System

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. There were no shares pending for transfer as on 31st March 2018.

M/s Cameo Corporate Services Ltd., have been appointed as RTA for shares held both in physical and electronic forms, and services for the transfer and dematerialisation of shares are provided to the shareholders through the Registrar and Transfer Agent (RTA).

Share Quotes

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

Month	High	Low	Volume
	₹ P.	₹ P.	No. of Shares
April 2017	244.95	210.00	9854
May 2017	278.30	205.00	46714
June 2017	403.70	266.00	75360
July 2017	415.20	324.00	17470
August 2017	370.00	281.00	12244
September 2017	320.25	275.05	8452
October 2017	390.50	275.10	9566
November 2017	382.00	316.00	8228
December 2017	389.40	298.50	20136
January 2018	529.95	422.85	99118
February 2018	550.00	411.00	50426
March 2018	490.00	400.00	13344
	Total		370912

Shareholder Complaints

The Company has created a mail I.D investor@highenergytld.com exclusively for the purpose of addressing to, complaints, if any, from investors. Investors can mail any of their grievances to the above mentioned e-mail id for redressal.

Particulars of complaints received during 2017-18;

Complaints from	Received	Redressed
Shareholders / Investors	Nil	Nil
Depositories / DPs	Nil	Nil
SEBI	Nil	Nil
Department of Company Affairs / Registrar of Companies	Nil	Nil
Stock Exchanges	Nil	Nil
Total	Nil	Nil



ANNEXURE - 1 to BOARD'S REPORT

SCORES

SEBI vide Circular dated 3rd June 2011, has advised all listed companies about processing of 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 2017 - 18, there were no complaints against our company posted on SCORES Site.

Distribution of Shareholding as on 31.03.2018

Slab	No. Shareholders		No. of Equity Shares	
	Total	%	Total	%
1-1000	2033	75.97	56506	3.15
1001-5000	428	15.99	112197	6.26
5001-10000	104	3.89	83757	4.67
10001-20000	43	1.61	65437	3.65
20001-30000	17	0.64	42075	2.35
30001-40000	12	0.44	40844	2.28
40001-50000	4	0.15	18213	1.02
50001-100000	13	0.49	102714	5.73
Above -100000	22	0.82	1271025	70.89
Total	2676	100.00	1792768	100.00

Shareholding Pattern as on 31.03.2018

Category	No. of Share-holders	%	No. of Equity Shares	%
Promoters	11	0.41	734527	40.97
Fis and Banks	2	0.07	239100	13.34
Other Corporate Bodies	57	2.14	60524	3.38
Clearing Members	6	0.22	2368	0.13
Hindu Undivided Families	97	3.62	48321	2.69
NRI - Non-Promoter	36	1.35	15943	0.89
Trust	1	0.04	200	0.01
Public	2466	92.15	691785	38.59
Total	2676	100.00	1792768	100.00

Note : Out of above, Non Resident Indians/ Overseas Corporate Bodies hold 95943 shares constituting 5.35%.

Plant Location:

Pakkudi Road,
Mathur Industrial Estate, Mathur 622 515,
Pudukkottai District, Tamilnadu, India
Phone : 91-431-2660323, 2660324
Fax : 91-4339-250516
Email : info@highenergyltd.com
Website : www.highenergy.co.in

No. of Employees : 128

Particulars of past 3 AGMs

AGM	Year	Venue	Date	Time
54 th	2014-2015	New Woodlands Hotel Pvt. Ltd., 72-75, Dr. Radhakrishnan Road, Mylapore, Chennai 600 004	25.07.2015	11.00 AM
55 th	2015-2016	New Woodlands Hotel Pvt. Ltd., 72-75, Dr. Radhakrishnan Road, Mylapore, Chennai 600 004	30.07.2016	11.00 AM
56 th	2016-2017	New Woodlands Hotel Pvt. Ltd., 72-75, Dr. Radhakrishnan Road, Mylapore, Chennai 600 004	05.08.2017	11.00 AM



ANNEXURE - 1 to BOARD'S REPORT

No Extraordinary General Meeting of the Company was held during the year.

POSTAL BALLOT

No Resolution was required to be passed by postal ballot at the last AGM nor is being proposed at the ensuing AGM. However, e-voting facility will be provided to all shareholders as required under Companies Act, 2013 in the ensuing Annual General Meeting.

Unclaimed Dividends

Under the Companies Act 1956, dividends that are unclaimed for a period of seven years get transferred to the "Investor Education and Protection Fund" administrated by the Central Government statutorily. The following table gives the dates of Declaration of Dividend and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government. Reminders were sent to shareholders, who have not yet encashed the Dividend, to claim the same from the Company well before the due date of transfer to IEPF.

Financial Year	Date of Declaration	Due date for Transfer	Unclaimed Amount (₹ lakhs)
2010-2011	--	--	--
2011-2012	--	--	--
2012-2013	25.07.2013	25.08.2020	0.44
2013-2014	--	--	--
2014-2015	--	--	--
2015-2016	--	--	--
2016-2017	--	--	--
Total			0.44

Reconciliation of Share Capital Audit Reports/Certificates to Stock Exchanges

Description	Frequency	For the Quarter ended	Furnished on
Reconciliation of Share Capital Audit Report to Stock Exchanges on reconciliation of the total admitted Capital with NSDL/ CDSL and the total issued & Listed Capital	Quarterly	30.06.2017	22.07.2017
		30.09.2017	10.10.2017
		31.12.2017	27.01.2018
		31.03.2018	21.04.2018

(For the Board of Directors)

N. GOPALARATNAM

Chairman

Chennai

May 26, 2018



ANNEXURE - 2 to BOARD'S REPORT

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2018

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

1. 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 : +91-44-24960335 / 39279318 Fax : +91-44-24961785 Email : hebcnn@md4.vsnl.net.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", 5th Floor, No.1, Club House Road, Chennai - 600 002. Phone : +91-44-28460390 Fax : +91-44-28460129 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	85.07
2	Lead Acid Storage Batteries	27201	14.93

III. Particulars of Holding, Subsidiary and Associate of Companies

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



ANNEXURE - 2 to BOARD'S REPORT

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category - wise Shareholding

Sl.No	Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1)	Indian									
a)	Individual/HUF	14932	-	14932	0.83	14932	-	14932	0.83	0.00
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	639595	-	639595	35.68	639595	-	639595	35.68	0.00
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total(A)(1)	654527	-	654527	36.51	654527	-	654527	36.51	0.00
2)	Foreign									
a)	NRIs -	-	-	-	-	-	-	-	-	-
b)	Individuals	-	-	-	-	-	-	-	-	-
	Other -	-	-	-	-	-	-	-	-	-
	Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	80000	-	80000	4.46	80000	-	80000	4.46	0.00
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	80000	-	80000	4.46	80000	-	80000	4.46	0.00
	Total share-holding of Promoters (A) = A)(1)+A)(2)	734527	-	734527	40.97	734527	-	734527	40.97	0.00



ANNEXURE - 2 to BOARD'S REPORT

Sl.No	Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B.	Public Shareholding									
1)	Institutions									
a)	Mutual funds									
b)	Banks / FI	239100	-	239100	13.34	239100	-	239100	13.34	0.00
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt (s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i)	Any other	-	-	-	-	-	-	-	-	-
	Foreign Portfolio Investors (Corporate) II	-	-	-	-	-	-	-	-	-
	Foreign Portfolio Investors (Corporate) III	-	-	-	-	-	-	-	-	-
	Sub-Total(B)(1)	239100	-	239100	13.34	239100	-	239100	13.34	0.00
2)	Non Institutions									
a)	Bodies Corporate	40326	691	41017	2.29	59833	691	60524	3.38	1.09
b)	Individuals									
i)	Individual Shareholders holding nominal shares capital up to Rs. 1 lakh	398229	62837	461066	25.72	384502	59934	444436	24.79	-0.93
ii)	Individual shareholders holding nominal shares capital in excess of Rs.1 lakh	268355	-	268355	14.97	247349	-	247349	13.80	-1.17



ANNEXURE - 2 to BOARD'S REPORT

Sl.No	Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c)	Others (Specify)									
	Non - Resident Indian	13054	200	13254	0.74	15743	200	15943	0.89	0.15
	Hindu undivided Family	35119	-	35119	1.96	48321	-	48321	2.70	0.74
	Clearing Members Trust	130	-	130	0.01	2368	-	2368	0.13	0.12
	Sub-Total(B)(2)	755413	63728	819141	45.69	758316	60825	819141	45.69	0.00
	Total Public Shareholding (B) = (B) (1) + (B) (2)	994513	63728	1058241	59.03	997416	60825	1058241	59.03	0.00
C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND -TOTAL (A) + (B) + (C)	1729040	63728	1792768	100.00	1731943	60825	1792768	100.00	0.00

ANNEXURE - 2 to BOARD'S REPORT

ii) Shareholding of Promoters

Sl.No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2017			Shareholding at the end of the year 31.03.2018			% Change in share holding 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	15.7806	-	282911	15.7806	-	0.00
2.	Time Square Investments (P) Limited	165463	9.2294	-	165463	9.2294	-	0.00
3.	Ponni Sugars (Erode) Limited	100000	5.5779	-	100000	5.5779	-	0.00
4.	Synergy Investments Pte Limited	80000	4.4623	-	80000	4.4623	-	0.00
5.	Ultra Investments and Leasing Company Pvt. Ltd	70200	3.9157	-	70200	3.9157	-	0.00
6.	Dhanashree Investments Private Limited	21021	1.1725	-	21021	1.1725	-	0.00
7.	N. Gopalaratnam	10200	0.5689	-	10200	0.5689	-	0.00
8.	R. Vaidyanathan	2500	0.1394	-	2500	0.1394	-	0.00
9.	S. Sridharan	1932	0.1077	-	1932	0.1077	-	0.00
10.	D. Jayaraman	200	0.0111	-	200	0.0111	-	0.00
11.	G. A. Pathanjali	100	0.0055	-	100	0.0055	-	0.00
12.	Total	734527	40.9716	-	734527	40.9716	-	0.00

ANNEXURE - 2 to BOARD'S REPORT

III. Change in Promoters' Shareholding (Please specify, if there is no change)

Sl No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2017		Shareholding at the end of the year 31.03.2018	
		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-Apr-2017	734527	40.9716	-	-
	Purchase / Sale during the year	-	-	-	-
	At the end of the year 31-Mar-2018	-	-	734527	40.9716

There is no change in the total shareholding of Promoters during the year 2017 - 18.



ANNEXURE - 2 to BOARD'S REPORT

IV. Shareholding pattern of top ten shareholders (other than Directors and Promoters)

Sl No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		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-2017	239000	13.3313	239000	13.3313
	At the end of the year 31-Mar-2018	239000	13.3313	239000	13.3313
2	Srikanth C				
	At the beginning of the year 01-Apr-2017	49754	2.7752	49754	2.7752
	At the end of the year 31-Mar-2018	49754	2.7752	49754	2.7752
3	Balram Bharwani				
	JT1 : Poonam Bharwani				
	At the beginning of the year 01-Apr-2017	44000	2.4543	44000	2.4543
	Sale 09-June-2017	-225	0.0125	43775	2.4417
	Sale 16-June-2017	-140	0.0078	43635	2.4339
	Sale 23-June-2017	-135	0.0075	43500	2.4264
	Sale 30-June-2017	-500	0.0278	43000	2.3985
	Sale 21-Jul-2017	-200	0.0111	42800	2.3873
	Sale 28-Jul-2017	-250	0.0139	42550	2.3734
	Sale 04-Aug-2017	-100	0.0055	42450	2.3678
	Sale 18-Aug-2017	-150	0.0083	42300	2.3594
	Sale 25-Aug-2017	-24	0.0013	42276	2.3581
	Sale 15-Sep-2017	-120	0.0066	42156	2.3514
	Sale 22-Sep-2017	-11	0.0006	42145	2.3508
	Sale 29-Sep-2017	-20	0.0011	42125	2.3497
	Sale 20-Oct-2017	-125	0.0069	42000	2.3427
	Sale 16-Mar-2018	-138	0.0076	41862	2.3350
	Sale 23-Mar-2018	-150	0.0083	41712	2.3266
	At the end of the year 31-Mar-2018	41712	2.3266	41712	2.3266
4	Sathyamoorthi Devarajulu				
	At the beginning of the year 01-Apr-2017	30000	1.6733	30000	1.6733
	Sale 02-June-2017	-10000	0.5577	20000	1.1155
	At the end of the year 31-Mar-2018	20000	1.1155	20000	1.1155



ANNEXURE - 2 to BOARD'S REPORT

Sl No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
5	Ruchit Bharat Patel JT1 : Hardik Bharat Patel At the beginning of the year 01-Apr-2017 Purchase 02-Jun-2017 Purchase 09-Jun-2017 Sale 05-Jan-2018 At the end of the year 31-Mar-2018	 29981 5000 8855 -13500 30336	 1.6723 0.2788 0.4939 0.7530 1.6921	 29981 34981 43836 30336 30336	 1.6723 1.9512 2.4451 1.6921 1.6921
6	Hardik Bharat Patel JT1 : Minal Bharat Patel At the beginning of the year 01-Apr-2017 Purchase 02-June-2017 Purchase 09-June-2017 Sale 01-Dec-2017 At the end of the year 31-Mar-2018	 18561 5000 983 -24544 0	 1.0353 0.2788 0.0548 1.3690 0.0000	 18561 23561 24544 0 0	 1.0353 1.3142 1.3690 0.0000 0.0000
7	F L Dadabhoy JT.1 : P F Dadabhoy At the beginning of the year 01-Apr-2017 At the end of the year 31-Mar-2018	 18000 18000	 1.0040 1.0040	 18000 18000	 1.0040 1.0040
8	Govindbhai baldev Desai JT.1 : Bhavana Govindbhai Desai At the beginning of the year 01-Apr-2017 Sale 02-June-2017 At the end of the year 31-Mar-2018	 16000 -16000 0	 0.8924 0.8924 0	 16000 0 0	 0.8924 0 0
9	Devika Anand At the beginning of the year 01-Apr-2017 Sale 16-Feb-2018 Sale 23-Feb-2018 At the end of the Year 31-Mar-2018	 14791 -4255 -7421 3115	 0.8250 0.2373 0.4139 0.1737	 14791 10536 3115 3115	 0.8250 0.5876 0.1737 0.1737



ANNEXURE - 2 to BOARD'S REPORT

Sl No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
10	Sitharaman G				
	JT.1 : Janaki S				
	At the beginning of the year 01-Apr-2017	13720	0.7652	13720	0.7652
	At the end of the year 31-Mar-2018	13720	0.7652	13720	0.7652

V. Shareholding of Directors and Key Managerial Personnel

Sl No	For each of the Directors and KMP	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year 31.03.2018	
		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 01.04.2017	10200	0.5689	10200	0.5689
	At the end of the year 31.03.2018	10200	0.5689	10200	0.5689
2	R VAIDYANATHAN				
	At the beginning of the year 01.04.2017	2500	0.1394	2500	0.1394
	At the end of the year 31.03.2018	2500	0.1394	2500	0.1394
3	G A PATHANJALI				
	At the beginning of the year 01.04.2017	100	0.0055	100	0.0055
	At the end of the year 31.03.2018	100	0.0055	100	0.0055
4	S V RAJU				
	At the beginning of the year 01.04.2017	100	0.0055	100	0.0055
	At the end of the year 31.03.2018	100	0.0055	100	0.0055

ANNEXURE - 2 to BOARD'S REPORT

VI. Indebtedness

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

(₹ in lakhs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2653.95	672.00	-	3325.95
ii) Interest due but not paid	-	94.56	-	94.56
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2653.95	766.56	-	3420.51
Change in indebtedness during the financial year				
A) Principal				
- Addition	-	80.00	-	80.00
- Reduction	61.81	-	-	61.81
Change in indebtedness during the financial year				
B) Interest				
- Addition	-	74.33	-	74.33
- Reduction	-	-	-	-
Net Change	61.81	154.33	-	92.52
Indebtedness at the end of the financial year				
i) Principal Amount	2592.14	752.00	-	3344.14
ii) Interest due but not paid	-	168.89	-	168.89
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2592.14	920.89	-	3513.03

ANNEXURE - 2 to BOARD'S REPORT

VII. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Director and/or Manager

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount (₹ in lakhs)
		Dr. G. A. Pathanjali	
1.	Gross Salary (a) Salary as per provisions contained 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	20.40 - -	20.40 - -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others - Special Allowance	- 9.00	- 9.00
5.	Others - Retirement benefits	4.88	4.88
	Total	34.28	34.28
	Ceiling as per the Act	42.00	42.00



ANNEXURE - 2 to BOARD'S REPORT

B. Remuneration to other Directors

Sl. No	Particulars of Remuneration	Name of Directors					Total Amount (in ₹)
		Mr. A. L. Sonayaji	Mr. R. P. Prem Kumar	Mr. M. Natarajan	RAdm S. Mohapatra	Mrs. Lalitha Lakshmanan	
1.		Independent Directors					
	Fee for attending Board	60000	60000	30000	-	60000	210000
	Committee Meetings	-	-	-	-	-	-
	- Commission	-	-	-	-	-	-
	- Others	-	-	-	-	-	-
	Please Specify						
	Total (1)	60000	60000	30000	-	60000	210000
2.		Other Non Executive Directors					
		Mr. N. Gopalarathnam	Mr. R. Vaidyanathan	Mr. Raj Kumar			Total Amount (in ₹)
	Fee for attending Board	50000	40000	20000			110000
	Committee Meetings	-	-	-			-
	- Commission	-	-	-			-
	- Others	-	-	-			-
	Please Specify						
	Total (2)	50000	40000	20000			110000
	Total (B) (1+2)						320000
	Overall ceiling as per the Act						-

* Minimum Remuneration for Managing Director
Only Sitting Fee for others

ANNEXURE - 2 to BOARD'S REPORT

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (₹ in Lakhs)
		Company Secretary	CFO	
1.	Gross Salary			
	(a) Salary as per provisions contained 17(1) of the Income Tax Act, 1961	1.80	3.95	5.75
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	2.40	4.76	7.16
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, Specify	-	-	-
5.	Others - Please Specify	-	-	-
	Total	4.20	8.71	12.91

VIII. Penalties / Punishment / Compounding Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ Court]	Appeal made, if any (give details)
A. Company					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. Other Officers in Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

(For the Board of Directors)

Chennai
May 26, 2018

N. GOPALARATNAM
Chairman



ANNEXURE - 3 to BOARD'S REPORT

**DISCLOSURE IN TERMS OF SECTION 134 (3)(m) OF THE COMPANIES ACT, 2013
READ WITH RULE 8 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 Aerospace applications.
- Development of Cuprous Chloride Batteries.
- Development of Automotive Lead Acid Batteries.
- Development of Valve Regulated Lead Acid Batteries.
- Development and Production of PEM Fuel Cells.
- Development and Production of Electro-catalyst for Fuel Cells.
- Research on Nano materials and Nano composites.
- Research on Vanadium based Flow Battery materials.

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

- The batteries developed have eliminated imports in their respective categories and thus they have saved substantial foreign exchange outgo.

- The batteries developed in-house were also exported and thus earned foreign exchange.
- Upgradation of technology to match the advancement in developed countries.
- Indigenisation and self reliance in the critical field of batteries for strategic defence applications.
- "Make in India" concept fully implemented over three decades.
- Diversification through commercialisation of Lead Acid batteries.

3. Future Plan of Action

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

4. Expenditure on R & D during the year
₹ in Lakhs

	As At 31.03.2018	As At 31.03.2017
Capital	-	-
Recurring	60.60	54.68
Total	60.60	54.68

5. Technology Absorption and Adoption

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

C. Foreign Exchange Earnings and Outgo

₹ in Lakhs

	As At 31.03.2018	As At 31.03.2017
Earnings	30.02	80.49
Outgo	145.63	162.04

(For the Board of Directors)

N. GOPALARATNAM
Chairman

Chennai
May 26, 2018

ANNEXURE - 4 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)	8:1	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 Company Secretary Chief Financial Officer	8% NIL 20%	Note 2
3.	The percentage increase in the median remuneration of employees in the financial year		4.85%	
4.	The number of permanent employees on the rolls of company		128	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in the salary of employees other than managerial persons Managerial remuneration	8.13% NIL	Note 3
6.	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. All other directors were paid only sitting fee for attending the meetings of the Board and Committees thereof.
2. Revision is done once in three years for MD.
3. MD is appointed for a period of 3 years from 01.04.2017 to 31.03.2020.

(For the Board of Directors)

Chennai
May 26, 2018

N. GOPALARATNAM
Chairman

ANNEXURE - 5 to BOARD'S REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2018

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

To,

The Members

M/s High Energy Batteries (India) Limited
Esvin House,
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, CHENNAI-600096 (hereinafter called "the Company").

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by M/S HIGH ENERGY BATTERIES (INDIA) LIMITED (the Company) and also the information provided 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 31st March, 2018 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 31st March 2018, 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;
 - d. Environmental (Protection) Act, 1986;

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

ANNEXURE - 5 to BOARD'S REPORT

- (i) Secretarial Standards with respect to the meetings of the Board of Directors (SS-1) and 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 generally 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'):
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (e) 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

Place : TRICHY
Date : 15.05.2018

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

ANNEXURE - 5 to BOARD'S REPORT

**ANNEXURE TO SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018
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. 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 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. As per the Management Representation given by the Company Secretary of the Company there is no law exclusively applicable for the Company except those stated in Point (V) of the Secretarial Audit Report.

FOR B.K. SUNDARAM & ASSOCIATES
COMPANY SECRETARIES

(B.KALYANASUNDARAM)
COMPANY SECRETARY
ACS NO. A672. CP. NO. 2209

Place : TRICHY

Date : 15.05.2018

M/s. MAHARAJ N R SURESH AND CO.
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31ST MARCH 2018**

To the Members of M/s. HIGH ENERGY BATTERIES (INDIA) LIMITED

**REPORT ON THE STANDALONE Ind AS
FINANCIAL STATEMENTS**

We have audited the accompanying standalone Ind AS Financial Statements of **HIGH ENERGY BATTERIES (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement, the Statement of Changes in Equity for the year then ended and a summary of the Significant Accounting Policies and other explanatory information

**MANAGEMENT'S RESPONSIBILITY FOR
THE STANDALONE Ind AS 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 Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Standalone Ind AS Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the Audit Report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Standalone Ind AS Financial Statements in accordance with the Standards on Auditing, specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud

or error. In making those risk assessments, the Auditor considers internal financial controls relevant to the Company's preparation of the Standalone Ind AS Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Standalone Ind AS Financial Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Ind AS Financial Statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

OTHER MATTERS

The comparative financial information of the company for the year ended 31st March, 2017 and the transition date opening balance sheet as at 01st April, 2016 included in these standalone Ind AS financial statements are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 29th May, 2017 and 28th May, 2016 respectively, expressed an

unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the company on transition to Ind AS, which have been audited by us.

Our opinion on the Standalone Ind AS Financial Statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1 As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Balance Sheet, the Statement of Profit and Loss, including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - (e) on the basis of the written representations received from the Directors as on 31 March 2018 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2018 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's Internal Financial Controls over financial reporting.
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its Standalone Ind AS 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.

- 2 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure "B" a statement on the matters specified in the Paragraphs 3 and 4 of the Order, to the extent applicable.

For M/s. **MAHARAJ N R SURESH AND CO.**
CHARTERED ACCOUNTANTS
Firm Reg No. 001931S

N R Suresh
Partner
Membership No. 021661

Chennai
May 26, 2018

ANNEXURE "A" to The Independent Auditor's Report of even date on the Standalone Ind AS Financial Statements of M/s. 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, 2018 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, 2018, 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.

For M/s. **MAHARAJ N R SURESH AND CO.**
CHARTERED ACCOUNTANTS
Firm Reg No. 001931S

N R Suresh
Partner
Membership No. 021661

Chennai
May 26, 2018

Annexure "B" to the Independent Auditors' Report of even date on the Standalone Financial Statements of M/s. 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) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed.
- (iii) The Company has not granted any loans to any party covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, in respect of, investments provided by the Company. The company has not provided any loans or guarantee or security to any company covered under Section 185.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has prescribed maintenance of Cost Records under Sub-section (1) of Section 148 of the Companies Act, 2013 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) Undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, Goods and Service Tax and any other Statutory Dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. However, there are no such dues pending as on 31st March, 2018.
- (b) Details of 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 have not been deposited as on 31st March 2018 on account of disputes are given below:

Name of the Statute	Tamilnadu VAT Act
Nature of Dues	VAT
Amount ₹ in Lakhs	₹82.36 Lakhs (out of the above ₹15 Lakhs paid as per court order)
Forum where the dispute is pending	Madurai Bench, Madras High Court
Period to which the dues belong	Financial Years 2007 - 08 to 2010 - 11

- (viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) The Company has not noticed any fraud by the Company or any fraud on the Company by its Officers or employees or reported during the year.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Companies Act, 2013.
- (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 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (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.

For M/s. **MAHARAJ N R SURESH AND CO.**
CHARTERED ACCOUNTANTS
 Firm Reg No. 001931S

N R Suresh
 Partner
 Membership No. 021661

Chennai
 May 26, 2018



BALANCE SHEET AS AT 31st MARCH, 2018

	Note No.	AS AT 31-03-2018	AS AT 31-03-2017	AS AT 01-04-2016
I Assets				
1 Non Current Assets			(₹ in Lakhs)	
a) Fixed Assets				
(a) Property Plant and Equipment	2	3281.67	3381.23	3500.54
(b) Capital Work in Progress	2(a)	14.20	-	-
(c) Financial Assets				
i) Investments	3	93.97	86.12	29.85
ii) Loans	4	18.43	12.56	14.46
(d) Deferred Tax Asset (Net)	5	278.88	381.68	580.84
		3687.15	3861.59	4125.69
2 Current Assets				
a) Inventories	6	2583.91	2406.62	1744.50
b) Financial Assets				
i) Trade Receivables	7	1464.27	1397.40	445.61
ii) Cash & Cash Equivalents	8	279.85	1.79	83.63
iii) Bank Balances	9	81.13	75.98	72.07
iv) Loans	10	18.91	19.53	20.72
v) Others	11	0.03	-	0.04
c) Current Tax Assets (Net)	12	61.97	71.02	118.18
e) Other Current Assets	13	194.78	213.09	183.55
		4684.85	4185.43	2668.30
Total		8372.00	8047.02	6793.99
II Equity and Liabilities				
1 Equity				
a) Equity Share Capital	14	179.28	179.28	179.28
b) Other Equity	15	1646.11	1304.95	1338.10
2 Liabilities				
Non Current Liabilities				
a) Financial Liabilities				
i) Long Term Liabilities	16	875.15	728.84	91.54
b) Provisions	17	37.39	41.17	38.48
c) Other Non Current Liabilities	18	670.18	644.76	534.87
		3408.11	2899.00	2182.27
Current Liabilities				
a) Financial Liabilities				
i) Short Term Borrowings	19	3107.14	2704.95	2693.20
ii) Trade Payables	20	1438.35	1554.45	918.19
iii) Other Current Liabilities	21	147.90	254.39	198.53
b) Other Current Liabilities	22	230.37	541.13	702.62
c) Provisions	23	40.13	93.10	99.18
		4963.89	5148.02	4611.72
Total		8372.00	8047.02	6793.99

Notes to Financial Statements 1 to 43

G.A. PATHANJALI
Managing Director

S.V. RAJU
Secretary

Vide our Report of even date attached
For M/s. Maharaj N R Suresh and Co.,
Chartered Accountants

Directors

R. SWAMINATHAN
Chief Financial Officer

N. GOPALARATNAM
R. VAIDYANATHAN

M. NATARAJAN
LALITHA LAKSHMANAN

Chennai
May 26, 2018

A.L. SOMAYAJI
CMDE R. P. PREM KUMAR, VSM (Retd.)

RAJEEV CHATURVEDI

N R SURESH
Partner
Membership No.021661



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2018

Particulars	Note No.	YEAR ENDED 31-03-2018	YEAR ENDED 31-03-2017
		(₹ in Lakhs)	
I Revenue from Operations	24	5969.31	4801.97
II Other Income	25	13.82	15.89
III Total Revenue (I + II)		5983.13	4817.86
IV Expenses			
Cost of materials and Components consumed	26	3280.65	2680.20
Changes in Inventories	27	(474.98)	(300.78)
Excise Duty	28	32.20	82.98
Employee Benefits Expense	29	952.08	768.92
Finance Cost	30	490.90	417.40
Depreciation	2	128.64	132.01
Other Expenses	31	1110.60	922.85
Total Expenses (IV)		5520.10	4703.58
V Profit / (Loss) Before Tax and Exceptional Items		463.03	114.28
VI Exceptional Item		-	-
VII Profit / (Loss) Before Tax and after Exceptional Items		463.03	114.28
VIII Tax Expenses	32		
Current Tax		16.13	--
Income Tax Relating to Previous years		17.32	--
Deferred Tax Liability / (Asset)		101.12	200.32
Total Tax Expenses (VIII)		134.57	200.32
IX Profit / (Loss) After Tax and after Exceptional Items (VII - VIII)		328.46	(86.05)
X Other Comprehensive Income			
A. Items that will be reclassified to Statement of Profit and Loss			
(i) Remeasurement benefit of the defined benefit plans		6.51	(4.52)
(ii) Income tax expense on remeasurement benefit of the defined benefit plans		(1.68)	1.16
(iii) Net fair value gain /(loss) on investment in equity instruments through OCI		7.86	56.26
B. Items that will be reclassified to Statement of Profit & Loss		12.69	52.90
Total Comprehensive income for the period (IX + X)		341.16	(33.15)
Earning per Equity Share (of Face Value ₹ 10/- each)			
Basic and Diluted		18.32	(4.80)
Notes to Financial Statements 1 to 43			
G.A. PATHANJALI Managing Director		S.V. RAJU Secretary	Vide our Report of even date attached
	Directors		For M/s. Maharaj N R Suresh and Co., Chartered Accountants
R. SWAMINATHAN Chief Financial Officer	N. GOPALARATHNAM R. VAIDYANATHAN A.L. SOMAYAJI CMDE R. P. PREM KUMAR, VSM (Retd.)	M. NATARAJAN LALITHA LAKSHMANAN RAJEEV CHATURVEDI	Firm Reg.No. 001931S
Chennai May 26, 2018			N R SURESH Partner Membership No.021661

STATEMENTS OF CHANGES IN EQUITY

I. Equity Share Capital

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Balance at the beginning of the reporting year	179.28	179.28	179.28
Changes in Equity Share capital during the year	-	-	-
Balance at the end of the reporting year	179.28	179.28	179.28

II. Statement of Changes in Equity

₹ in Lakhs

Particulars	Reserves and Surplus				Equity Instruments through other Comprehensive Income	Total
	Capital Redemption Reserve	Securities Premium Account	General Reserve	Retained Earnings		
Balance as on 1st April 2016	3.00	783.35	200.00	327.97	23.78	1338.10
Add :						
Profit for the year	-	-	-	(86.05)	-	(86.05)
Net Gain /(Loss) on remeasurement of defined benefit Plans (net of tax)	-	-	-	(3.36)	-	(3.36)
Net Gain / (Loss) on fair valuation of Investments in equity shares	-	-	-	-	56.26	56.26
Balance as on 31st March, 2017	3.00	783.35	200.00	238.56	80.04	1304.95
Add :						
Profit for the year	-	-	-	328.46	-	328.46
Net Gain /(Loss) on remeasurement of defined benefit Plans	-	-	-	4.84	-	4.84
Net Gain / Loss) on fair valuation of Investments in equity shares	-	-	-	-	7.86	7.86
Balance as on 31st March, 2018	3.00	783.35	200.00	571.86	87.90	1646.11

Notes to Financial Statements 1 to 43

G.A. PATHANJALI
Managing Director

S.V. RAJU
Secretary

Vide our Report of even date attached
For M/s. Maharaj N R Suresh and Co.,
Chartered Accountants
Firm Reg.No. 0019313

Directors

R. SWAMINATHAN
Chief Financial Officer

N. GOPALARATNAM
R. VAIDYANATHAN

M. NATARAJAN
LALITHA LAKSHMANAN
RAJEEV CHATURVEDI

Chennai
May 26, 2018

A.L. SOMAYAJI
CMDE R. P. PREM KUMAR, VSM (Retd.)

N R SURESH
Partner
Membership No.021661



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

Description	FOR THE YEAR ENDED 31-03-2018	FOR THE YEAR ENDED 31-03-2017		
	(₹ in Lakhs)			
A. Cash Flow from Operating Activities				
Net Profit before tax and after exceptional items	463.03		114.28	
OCI	4.84		(3.36)	
Adjustments for :				
Depreciation	128.64		132.01	
Financial cost less interest received	483.33		411.77	
Dividend from Non Trade Investments	(1.04)		(0.52)	
Operating Profit / (Loss) before Working Capital Changes		1078.80		654.18
Adjustments for :				
Trade and other Receivables	(66.87)		(951.79)	
Inventories	(177.28)		(662.14)	
Other current assets	13.04		(26.40)	
Provisions	(56.75)		(3.39)	
Other liabilities	25.42		109.89	
Trade and other payables	(533.36)	(795.80)	530.62	(1003.21)
Cash generated from operations		283.00		(349.03)
Income tax paid / refund		(22.73)		46.00
Net cash from / (used) in Operating Activities		260.27		(303.03)
B. Cash Flow from Investing Activities				
Increase in investments	-		-	
Purchase of fixed assets	(29.09)		(12.72)	
Change in CWIP	(14.20)		-	
Dividend from non - trade investment	1.04		0.52	
Interest received	7.57		5.63	
Net cash from / (used) in Investing Activities		(34.68)		(6.57)



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2018

Description	FOR THE YEAR ENDED 31-03-2018		FOR THE YEAR ENDED 31-03-2017	
	(₹ in Lakhs)			
C. Cash Flow from Financing Activities				
Unsecured loans received during the year	146.31		637.30	
Working Capital loan received	402.19		11.75	
Finance cost paid	(490.90)		(417.40)	
Net cash from / (used) in Operating Activities		57.60		231.65
Net Increase / Decrease in cash and cash equivalent		283.19		(77.95)
Cash and cash equivalents at the beginning of the year		77.76		155.71
Cash and cash equivalents at the end of the year		360.98		77.76

G.A. PATHANJALI
Managing Director

S.V. RAJU
Secretary

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

Directors

R. SWAMINATHAN
Chief Financial Officer

N. GOPALARATNAM
R. VAIDYANATHAN
A.L. SOMAYAJI

M. NATARAJAN
LALITHA LAKSHMANAN
RAJEEV CHATURVEDI

Chennai
May 26, 2018

CMDE R. P. PREM KUMAR, VSM (Retd.)

N R SURESH
Partner
Membership No.021661



Notes to the Financial Statements for the Year ended 31st March, 2018

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, 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.

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.

Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of Indian Generally Accepted Accounting Principles (IGAAP) that includes Standards notified under the Companies (Accounting Standards) Rules, 2006.

These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 01.04.2016. Please refer Note No. 1.19 for the details of exceptions and optional exemptions availed by the company and principal adjustments along with related reconciliations.

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.



Notes to the Financial Statements for the Year ended 31st March, 2018

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.

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

Notes to the Financial Statements for the Year ended 31st March, 2018

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.
- (l) 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 commences when the assets are ready for their intended use which is generally on commissioning.



Notes to the Financial Statements for the Year ended 31st March, 2018

(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.

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

Asset	Years
Factory Buildings	30
Buildings (other than factory buildings)	10
Plant and Equipment – Main Plant	10
Plant and Equipment – Lead Acid Battery Plant	15
Furniture and Fixtures	10
Vehicles	8-10
Office Equipment	5

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

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

1.5 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.

1.6 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.

Notes to the Financial Statements for the Year ended 31st March, 2018

1.7 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 of disposal 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.

1.8 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for supply of goods or services net of returns.

a. Sale of products

Revenue from sale of products is recognized when the Company transfers all significant risks and rewards of ownership to the buyer, and retains neither continuing managerial involvement nor effective control over the products sold. It is mainly upon delivery and the amount of revenue can be measured reliably and recovery of the consideration is probable.

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).



Notes to the Financial Statements for the Year ended 31st March, 2018

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.

1.9 Ind AS 115 - Revenue from Contracts with Customers

The standard is notified on 28.03.2018 and it is applicable for the accounting periods commencing on or after 01.04.2018. Accordingly, this standard is not applicable for preparation of the financial statements for the year ended 31.03.2018. However, application of this standard from 01.04.2018 is not likely to have any impact in the revenue recognition of the company.

1.10 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, consumables, stores and spares is determined on weighted average basis and includes inward freight and other direct expenses. 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 necessary.

1.11 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 as 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.

1.12 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.



Notes to the Financial Statements for the Year ended 31st March, 2018

(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.

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. Remeasurements 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 will 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 number 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.

1.13 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).



Notes to the Financial Statements for the Year ended 31st March, 2018

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.

1.14 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.

1.15 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised 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.

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,



Notes to the Financial Statements for the Year ended 31st March, 2018

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 derecognition of such Financial Assets, cumulative gain or loss previously reported in OCI is not reclassified from Equity to statement of Profit and Loss. However, the company may transfer such cumulative gain or loss into retained earnings within equity.

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

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

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 life time 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.



Notes to the Financial Statements for the Year ended 31st March, 2018

e. De-recognition of Financial Assets:

The Company derecognizes 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 derecognized 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.

1.16 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.

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 derecognized 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 Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

Notes to the Financial Statements for the Year ended 31st March, 2018

1.17 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.

1.18 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.

1.19 First-time adoption – mandatory exceptions, optional exemptions

a. Overall principle

The Company has prepared the opening balance sheet as per Ind AS as of 1st April, 2016 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exceptions and certain optional exemptions availed by the Company as detailed below.

b. Materiality

The company has applied the standards only to items / transactions which are material.

c. Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.



Notes to the Financial Statements for the Year ended 31st March, 2018

d. Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101. The Company has determined the classification of debt instruments in terms of whether they meet the amortized cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

e. Deemed cost for property, plant and equipment

The Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as of 1st April, 2016 (transition date) measured as per the previous IGAAP and use that carrying value as its deemed cost as of the transition date except land, which has been measured at fair value as deemed cost as on the transition date.

f. Business Combinations

The company has elected not to apply Ind AS – 103 Business Combinations retrospectively for past business combinations.

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.



Notes to the Financial Statements for the Year ended 31st March, 2018

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.

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.

MAT Credit Entitlement are in the form of unused tax credits and are accordingly grouped under Deferred Tax Assets.

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.

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 MD 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. Aerospace, Naval and Power System Batteries and 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.



Notes to the Financial Statements for the Year ended 31st March, 2018

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.

B. 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 model.

b. Useful life of Property, Plant and Equipments

The Company reviews the estimated useful lives 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.



Notes to the Financial Statements for the Year ended 31st March, 2018

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 31st March, 2018

2 Property Plant and Equipment

2 Property Plant and Equipment					(₹ in Lakhs)				
Description	Gross Carrying Value			Depreciation			Net Block		
	As at 01-04-17	Additions during the year	Deductions/ Adjustment	Ast at 31-03-18	As at 01-04-17	Additions during the year	Deletions/ Adjustment	As at 31-03-18	As at 31-03-17
Land	1987.82	-	-	1987.82	-	-	-	-	1987.82
Building	336.87	10.08	-	346.95	14.54	14.93	-	29.47	322.33
Plant & Equipment	1149.76	5.88	-	1155.64	107.81	100.90	-	208.71	1041.95
Electrical Installation	26.93	-	-	26.93	6.30	6.28	-	12.58	20.63
Office Equipment	7.71	1.37	-	9.08	2.60	1.43	-	4.03	5.11
Furniture & Fixtures	1.07	-	-	1.07	0.15	0.14	-	0.29	0.92
Vehicles	3.08	11.75	-	14.83	0.61	4.96	-	5.57	2.47
TOTAL	3513.24	29.08	-	3542.32	132.01	128.64	-	260.65	3381.23

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

(ii) The company has adopted fair value for land Rs. 1987.82 Lakhs as deemed cost on the transition date as against carrying value of Rs. 24.45 Lakhs as per the previous GAAP. The aggregate adjustment made to the carrying value of land is Rs. 1963.36 Lakhs.

(iii) Paripassu first charge for all immovable fixed assets of the company excepting those pertaining to Lead Acid Battery Facility and Paripassu second charge for all movable and immovable fixed assets of the company in favour of Banks.



Notes to the Financial Statements for the Year ended 31st March, 2018

(₹ in Lakhs)									
Description	Gross Carrying Value			Depreciation			Net Block		
	As at 01-04-16	Additions during the year	Deductions/ Adjustment	As at 31-03-17	As at 01-04-16	Additions during the year	Deletions/ Adjustment	As at 31-03-17	As at 01-04-16
Land	1987.82	-	-	1987.82	-	-	-	1987.82	1987.82
Building	331.67	5.20	-	336.87	-	14.54	-	322.33	331.67
Plant & Equipment	1142.99	6.77	-	1149.76	-	107.81	-	1041.95	1142.99
Electrical Installation	26.20	0.73	-	26.93	-	6.30	-	20.63	26.20
Office Equipment	7.71	-	-	7.71	-	2.60	-	5.11	7.71
Furniture & Fixtures	1.07	-	-	1.07	-	0.15	-	0.92	1.07
Vehicles	3.08	-	-	3.08	-	0.61	-	2.47	3.08
TOTAL	3500.54	12.70	-	3513.24	-	132.01	-	3381.23	3500.54

2 (a) Capital Work in Progress

Description	Gross Carrying Value			Depreciation			Net Block	
	As at 01-04-17	Additions during the year	Deductions/ Adjustment	As at 31-03-18	As at 01-04-17	Additions during the year	As at 31-03-18	As at 31-03-17
Capital Work in Progress	-	14.20	-	14.20	-	-	14.20	-
TOTAL	-	14.20	-	14.20	-	-	14.20	-



Notes to the Financial Statements for the Year ended 31st March, 2018

3 Investments

₹ in Lakhs

Particulars	No. of Shares	Face Value	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Non Current Investments					
A. Investment in Equity Instruments					
Quoted Equity Shares :					
Ponni Sugars (Erode) Limited	382	10	0.54	0.80	0.81
Seshsayee Paper and boards Limited	10329	10	88.77	80.66	24.38
Unquoted EQUITY Shares :					
SPB Projects and consultancy Limited	45000	10	4.51	4.51	4.51
GPC Technologies Limited	1500	10	0.15	0.15	0.15
Esvin Advanced Technologies Limited	830	10	-	-	-
Total			93.97	86.12	29.85
Aggregate amount of Quoted Invesments - at Cost			1.33	1.33	1.33
Aggregate amount of Quoted Invesments - at Market Value			89.31	81.46	25.19
Aggregate amount of unquoted Invesments - at Cost			4.74	4.74	4.74

4 Loans

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Electricity Deposits	18.43	12.56	14.46
	18.43	12.56	14.46

5 Deferred Tax Liabilities / (Asset)

₹ in Lakhs

Particulars	Balance as on 01.04.2017	Recognised in P&L during the year	OCI 2017 -18	Balance as on 31.03.2018
Deferred Tax Liability on account of :				
Differences in WDV of PPE as per Books and Income tax	217.79	(14.71)	-	203.08
Loans from Companies measured at amortised cost	2.74	2.06	-	4.80
Fair Value of Land adopted as deemed cost	381.01	14.78	-	395.79
Total Defferred Tax Liability	601.54	2.13	-	603.67
Deferred Tax Asset on account of:				
Disallowances under Sec.43B and other Disallowances	14.63	(1.11)	-	13.51
Unabsorbed Losses and allowances under Income tax Act 1961	843.59	(114.01)	-	729.58
Provision for Impairment of trade receivables	123.84	-	-	123.84
Remeasurement of defined benefit plans	1.16	-	(1.68)	(0.51)
Mat Credit Entitlement	-	16.13	-	16.13
Total Deferred Tax Asset	983.22	(98.99)	(1.68)	882.55
Net Deferred Tax Asset	(381.68)	101.12	1.68	(278.88)



Notes to the Financial Statements for the Year ended 31st March, 2018

₹ in Lakhs

Particulars	Balance as on 01.04.2016	Recognised in P&L during the year	OCI 2016 -17	Balance as on 31.03.2017
Deferred Tax Liability on account of :				
Differences in WDV of PPE as per Books and Income tax	276.90	(59.12)	-	217.79
Loans from Companies measured at amortised cost	0.58	2.06	-	2.74
Fair Value of Land adopted as deemed cost	382.13	(1.11)	-	381.01
Total Deferred Tax Liability	659.61	(58.07)	-	601.54
Deferred Tax Asset on account of:				
Disallowances under Sec.43B and Other Disallowances	16.17	(1.54)	-	14.63
Unabsorbed Losses and allowances under Income tax Act 1961	1090.10	(246.51)	-	843.59
Provision for Impairment of trade receivables	134.18	(10.34)	-	123.84
Remeasurement of defined benefit plans	-	-	1.16	1.16
Total Deferred Tax Asset	1240.45	(258.39)	1.16	983.22
Net Deferred Tax Asset	(580.84)	200.32	(1.16)	(381.68)

6 Inventories

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Raw Materials and Components	1302.87	1605.32	1263.61
Work in Progress	1003.32	653.83	382.94
Finished Goods	168.91	43.42	13.54
Stores and Spares	91.24	78.33	72.97
Loose Tools	17.57	25.72	11.44
Total	2583.91	2406.62	1744.50
Details of Finished Goods			
Aero Space, Naval Power System Batteries	150.87	36.88	-
Lead Acid Storage Batteries	18.04	6.54	13.54
Total	168.91	43.42	13.54

7 Trade Receivables

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Secured & Considered good			
Unsecured and Considered good	1464.27	1397.40	445.61
Unsecured and Considered doubtful	485.16	403.17	341.09
	1949.43	1800.57	786.70
Less : Provision for doubtful debts	485.16	403.17	341.09
Total	1464.27	1397.40	445.61



Notes to the Financial Statements for the Year ended 31st March, 2018

8 Cash and Cash Equivalents

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Cash and Cash Equivalents			
Balance with Banks	3.46	0.74	81.47
Cash in hand	1.39	1.05	2.16
In Deposit accounts with original maturity of less than 3 months	275.00	-	-
Cash and Cash Equivalents	279.85	1.79	83.63

9 Bank Balances other than cash and cash equivalents

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Financial Assets - Bank Balances other than Cash and Cash Equivalents			
Fixed Deposits with Banks			
Deposits with original maturity for more than 12 months*	80.69	75.53	70.27
Unpaid Dividend	0.44	0.45	1.80
Other Bank Balances	81.13	75.98	72.07

*Deposits with banks includes deposits held as a security for short term loans taken from banks - ₹ 80.69 Lakhs

10 Loans

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unsecured and considered good			
Telephone Deposits	0.28	0.36	0.46
Deposits - Others	6.06	6.71	8.00
Rental Deposit	12.57	12.46	12.26
Total	18.91	19.53	20.72

11 Other Current Financial Assets

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Interest Receivable	0.03	-	0.04
Total	0.03	-	0.04

Notes to the Financial Statements for the Year ended 31st March, 2018

12 Advance Income Tax (Net of provision)

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unsecured and considered good			
Advance Income Tax (Net of provision)	61.97	71.02	118.18
Total	61.97	71.02	118.18

13 Other Current Assets

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Unsecured and Considered Good			
Advances to Suppliers and Services	176.99	137.24	132.03
Advances GST and VAT	-	40.44	10.44
Balance with Central Excise, Customs etc.	1.36	0.10	0.05
GST / Cenvat / Service tax / Vat receivable	1.12	20.00	21.33
Taxes paid under protest (Refer Note.34d)	15.31	15.31	19.70
Total	194.78	213.09	183.55

14 Equity Share Capital

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Authorised Capital			
7500000 (31.03.2017 - 7500000) Equity Shares@ of ₹ 10/- each	750.00	750.00	750.00
Issued, Subscribed and Fully paid up shares			
1792768 (31.03.2017 - 1792768) Equity shares of ₹ 10/- each	179.28	179.28	179.28
Total	179.28	179.28	179.28

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

₹ in Lakhs

Particulars	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Nos	Value (₹)	Nos	Value (₹)	Nos	Value (₹)
At the beginning of the year	1792768	179.28	1792768	179.28	1792768	179.28
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	1792768	179.28	1792768	179.28	1792768	179.28



Notes to the Financial Statements for the Year ended 31st March, 2018

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 the shareholder	As at 31.03.2018		As at 31.03.2017		As at 01.04.2016	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding	Number of Shares	Percentage holding
Seshasayee Paper and Boards Limited	282911	15.78	282911	15.78	282911	15.78
Life Insurance Corporation of India	239000	13.33	239000	13.33	239000	13.33
Time Square Investments (P) Limited	165463	9.23	165463	9.23	165463	9.23
Ponni Sugars (Erode) Limited	100000	5.58	100000	5.58	100000	5.58

d. Capital Management

The Company follows conservative capital management with the objective of maximising shareholders' value. For the purpose of the company capital management, capital includes issue 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 31.03.2018	As at 31.03.2017	As at 01.04.2016
Equity	1825.39	1484.23	1517.38
Debt	3982.29	3433.79	2784.73
Cash and Cash Equivalents	360.98	77.77	155.70
Net debt	3621.31	3356.02	2629.03
Total Capital + Debt	5446.70	4840.25	4146.41
Net debt to Capital Ratio	0.66	0.69	0.63

Notes to the Financial Statements for the Year ended 31st March, 2018

15 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		
Balance as on 1st April 2016	3.00	783.35	200.00	327.97	23.78	1338.10
Add :						
Profit for the year	-	-	-	(86.05)	-	(86.05)
Net Gain /(Loss) on remeasurement of defined benefit Plans (Net of tax)	-	-	-	(3.36)	-	(3.36)
Net Gain / Loss) on fair valuation of Investments in equity shares	-	-	-	-	56.26	56.26
Balance as on 31st March, 2017	3.00	783.35	200.00	238.56	80.04	1304.95
Add :						
Profit for the year	-	-	-	328.46	-	328.46
Net Gain /(Loss) on remeasurement of defined benefit Plans	-	-	-	4.84	-	4.84
Net Gain / Loss) on fair valuation of Investments in equity shares	-	-	-	-	7.86	7.86
Balance as on 31st March, 2018	3.00	783.35	200.00	571.86	87.90	1646.11

General Reserve:

General reserve is created from time to time by way of transfer of profits from retained earnings for appropriation purposes. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income. It is a free reserve created to enhance the Net worth of the company.

16 Long Term Borrowings

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Loans from Companies	875.15	728.84	91.54
Total	875.15	728.84	91.54

Terms of Repayment

The long term borrowings from companies is repayable at the end of 5 years from the date of receipt along with interest at the rate of 12% p.a.



Notes to the Financial Statements for the Year ended 31st March, 2018

Repayment Schedule :

₹ in Lakhs

Year of Repayment	Principal	Interest	Total Repayment
2019 - 2020	70.00	42.00	112.00
2020 - 2021	12.00	7.20	19.20
2021 - 2022	590.00	348.97	938.97
2022 - 2023	80.00	48.00	128.00
Total	752.00	446.17	1198.17

The amortised cost of the borrowings is taken at fair value on the date of transition to Ind AS and thereafter interest accounted at the EIR of 10%.

The difference between fair value and Loan value has been adjusted to retained earnings on the transition date.

17 Provisions

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for Warranty*	10.77	10.77	9.74
Provision for Leave Benefits	26.62	30.40	28.74
Total	37.39	41.17	38.48

*Based on the experience in the past and the data available, It is estimated that no further provision for warranty is required.

18 Other Non Current Liabilities

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advances from Customers	670.18	644.76	534.87
Total	670.18	644.76	534.87

19 Short Term Borrowings

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Secured Loans			
Working Capital Borrowings from Banks			
Cash Credit Loan	2592.14	2704.95	2693.20
Bills Purchased	515.00	-	-
Total	3107.14	2704.95	2693.20

Notes to the Financial Statements for the Year ended 31st March, 2018

Working Capital Borrowings from Banks are secured by :

- Paripassu first charge on all stocks of Raw Materials Finished Goods, Stock in Process, Stores, Spares and Moveable assets of the Company.
- Paripassu first charge on all immovable Fixed Assets of the Company, excepting those pertaining to the Lead Acid Battery Facility.
- Paripassu Second charge on the Moveable and immovable Fixed Assets of Lead Acid Battery Facility.
- Lien on Fixed Deposits(including interest) aggregating to Rs.80.69 Lakhs.

20 Trade Payables

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
a) Total Outstanding dues of micro enterprise and small enterprise	163.11	164.03	76.12
b) Total Outstanding dues of creditors other micro enterprise and small enterprise	1275.24	1390.42	842.07
Total	1438.35	1554.45	918.19

Micro and small enterprises under the Micro, small and Medium Enterprises Development Act, 2006 have been determined to the extent such parties have been identified on the basis of information available with the company. There are no ever dues to such parties, on account of Principal amount and / or interest and accordingly no additional disclosures have been made.

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
i) Principal amount remaining unpaid but not due as at year end to micro, small and medium enterprises	163.11	164.03	76.12
ii) Interest due thereon as at year end	19.12	-	-
iii) Interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
iv) Interest due and payable for the year 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	-	-	-
v) Interest accrued and remaining unpaid as at year end	-	-	-
vi) 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	-	-	-

Notes to the Financial Statements for the Year ended 31st March, 2018

21 Other Current Financial Liabilities

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Current Maturities of Long term borrowings	-	-	0.83
Employee benefits payable	88.92	185.51	100.42
Interest accrued and due	27.03	27.03	27.03
Unpaid Dividends*	0.45	0.45	1.80
Others	31.50	41.40	68.45
Total	147.90	254.39	198.53

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

22 Other Current Liabilities

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Advance received from customers	103.91	439.72	652.03
GST / Vat	115.88	88.18	42.06
Tax Deducted at Source	9.43	12.12	7.08
Others	1.15	1.11	1.45
Total	230.37	541.13	702.62

23 Short Term Provisions

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
Provision for Leave Benefits	9.04	5.68	4.59
Provision for Warranty	8.97	8.97	1.03
Provision for Excise Duty on Finished Goods	-	0.69	0.41
Provision for Liquidated Damages	22.12	77.76	93.15
Total	40.13	93.10	99.18



Notes to the Financial Statements for the Year ended 31st March, 2018

Particulars	YEAR ENDED 31-03-2018	YEAR ENDED 31-03-2017
	(₹ in Lakhs)	
24 Revenue from Sale of Batteries & Testing Services		
Aerospace, Naval and Power System Batteries		
Silver Zinc Batteries and Cells	4809.79	4112.67
Nickel Cadmium Cells	232.80	445.88
Lead Acid Batteries		
Lead Acid Batteries	863.25	207.60
Other Operating Revenue	63.47	35.82
Total	5969.31	4801.97
25 Other Income		
Interest Income		
- Bank Deposits	5.64	5.64
- Others	1.93	-
Dividend Income - from Equity Investments Measured at FVTOCI	1.04	0.52
Income from Testing	0.50	-
Exchange Difference (Net)	2.80	8.36
Miscellaneous Income	1.91	1.37
Total	13.82	15.89
26 Cost of Materials consumed		
Silver	1231.34	1012.58
Copper	56.93	22.79
Lead	626.40	55.64
Others	325.56	543.32
Components of Various Descriptions	1040.42	1045.87
Total	3280.65	2680.20



Notes to the Financial Statements for the Year ended 31st March, 2018

Particulars	YEAR ENDED 31-03-2018	YEAR ENDED 31-03-2017
	(₹ in Lakhs)	
27 Changes in Inventories of Finished Goods and Work in Progress		
Inventory at the end of the year		
- Work In Progress	1003.32	653.83
- Finished Goods	168.91	43.42
	1172.23	697.25
Inventory at the beginning of the year		
- Work In Progress	653.83	382.93
- Finished Goods	43.42	13.54
	697.25	396.47
(Increase) / Decrease in Inventory	(474.98)	(300.78)
28 Excise Duty		
Silver Zinc	10.41	26.56
Fibre Technology Facility	6.35	33.30
Lead Acid Battery	15.44	23.12
Total	32.20	82.98
29 Employee Benefits		
Salaries, Wages and Bonus	819.67	663.72
Contribution to Provident and Other Funds (Refer Note No.1.12)	53.97	45.08
Staff Welfare Expenses	78.44	60.12
Total	952.08	768.92
30 Finance Cost		
Interest on Borrowings	490.90	417.40
Total	490.90	417.40

Notes to the Financial Statements for the Year ended 31st March, 2018

Particulars	YEAR ENDED 31-03-2018	YEAR ENDED 31-03-2017
	(₹ in Lakhs)	
31 Other Expenses		
Consumption of Stores and Spares	65.09	51.32
Power and Fuel	140.35	106.71
Repairs and Maintenance		
- Plant and Machinery	15.24	8.16
- Buildings	11.04	14.14
- Others	38.20	29.17
Selling Expenses	209.32	123.63
Expenditure on Scientific Research	60.60	54.68
Travelling and Conveyance	83.32	159.01
Payment to Auditors (Refer Note No.33)	10.50	6.61
Professional and Legal Charges	69.32	36.66
Miscellaneous Expenses	183.69	178.72
Bank Charges - Others	99.37	104.42
Claims and Liquidated Damages	124.56	49.62
Total	1110.60	922.85

32 Tax Expense

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
(A) The major components of Income Tax expense for the year are as under:		
(I) Tax expenses recognised in the statement of Profit and Loss		
Current Tax		
Current tax on the income for the year - Minimum Alternate Tax	16.13	-
Total (a)	16.13	-
Income Tax relating to Previous Years		
Income Tax relating to AY 2012 - 13	17.32	-
Total (b)	17.32	-
Deferred Tax comprises:		
Deferred Tax Liability on Account of depreciation	(14.71)	(59.12)
Deferred Tax Asset on Sec 43B Disallowances and other Temporary difference	245.97	259.44
Deferred Tax Asset of Carry Forward of Losses	(114.01)	-
Mat Credit Entitlement	(16.13)	-
Total (c)	101.12	200.32
Total Tax Expense (a)+(b)+(c)	134.57	200.32



Notes to the Financial Statements for the Year ended 31st March, 2018

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
(A) Reconciliation of Tax expenses and the accounting profit for the year is as under:		
Enacted Income tax rate in India applicable to the Company		
Profit Before Tax	463.03	114.28
Ind AS adjustments to Profit of Financial Year 2016 - 17	-	67.58
Profit Before Tax after Ind AS Adjustments	463.03	46.70
Current Tax Expense at the applicable tax rate	119.23	12.02
Tax effect of the amounts which are not deductible /(taxable) in calculating Taxable income		
(Add / Less) :		
Tax On Dividend exempt	(0.27)	(0.13)
Tax on difference in Depreciation	13.42	12.41
Brought Forward Loss adjusted	(149.06)	(55.51)
Differences on account of Sec.43B and other disallowances	13.62	31.21
Differences on account of Permanent differences	3.06	-
Total	(119.23)	(12.02)
Current Tax for the Year	-	-
Minimum Alternate Tax payable u/s 115JB of the Income Tax Act, 1961	16.13	-

33 Payment to Auditors

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Audit Fees	8.00	4.60
Limited Review Fees	1.50	0.86
Tax Audit Fees	1.00	1.15
Total (a)	10.50	6.61

34 Contingent Liabilities and Commitments

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017	As at 01.04.2016
(a) Counter Guarantees and Commitments on Letters of Credit	2898.87	3445.80	2998.99
(b) Claims against the company not acknowledged as Debits	28.00	28.00	28.00
(c) Estimated amount contracts remaining to be executed on capital accounts not provided for	27.36	4.01	0.92
(d) Tamil Nadu VAT under Dispute	82.36	82.36	82.36
(e) Claims made by the customers not recognised by the company	10.64	-	-



Notes to the Financial Statements for the Year ended 31st March, 2018

35 (A) Category - Wise classification of Financial Instruments

33 (A) Category - wise classification of Financial Instruments							₹ in Lakhs
Particulars	Refer Note	Non Current			Current		
		As on 31.03.2018	As on 31.03.2017	As on 01.04.2016	As on 31.03.2018	As on 31.03.2017	As on 01.04.2016
Financial Assets measured at Fair value through Other Comprehensive Income (FVTOCI)							
Investments in Quoted Equity Shares	3	89.31	81.46	25.19	-	-	-
Investments in unquoted Equity Shares	3	4.66	4.66	4.66	-	-	-
		93.97	86.12	29.85	-	-	-
Financial Assets measured at amortised cost							
Security Deposit	4 & 10	18.43	12.56	14.46	18.91	19.53	20.72
Trade Receivables	7	-	-	-	1464.27	1397.40	445.61
Cash and Cash Equivalents	8	-	-	-	279.85	1.79	83.63
Other balances with Banks	9	-	-	-	81.13	75.98	72.07
Interest Receivable	11	-	-	-	0.03	-	0.04
		18.43	12.56	14.46	1844.19	1494.70	622.07
Financial Liabilities measured at amortised cost							
Long Term Borrowings	16	875.15	728.84	91.54	-	-	-
Loans Repayable on Demand - Cash Credit	19	-	-	-	3107.14	2704.95	2693.20
Trade Payables	20	-	-	-	1438.35	1554.45	918.19
Unpaid / Unclaimed dividend	21	-	-	-	0.44	0.45	1.80
Others	21	-	-	-	147.46	253.94	196.73
		875.15	728.84	91.54	4693.39	4513.79	3809.92

1. The fair value of quoted investment in quoted equity shares measured at quoted price.

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 risk of counterparties.



Notes to the Financial Statements for the Year ended 31st March, 2018

35 (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 2018

₹ in Lakhs

Financial Assets / Financial Liabilities	Fair value as at 31.03.2018	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer Note 3)	89.31	89.31	-	-
Investments in unquoted equity shares - Other Entities (Refer Note 3)	4.66	-	-	4.66

As at 31st March 2017

₹ in Lakhs

Financial assets	Fair value as at 31.03.2017	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer Note 3)	81.46	81.46	-	-
Investments in unquoted equity shares - Other Entities (Refer Note 3)	4.66	-	-	4.66

As at 1st April 2016

₹ in Lakhs

Financial assets	Fair value hierarchy			
	Fair value as at 31.03.2016	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer Note 3)	25.19	25.19	-	-
Investments in unquoted equity shares - Other Entities (Refer Note 3)	4.66	-	-	4.66

(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 reasonable approximation of their fair values since the company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

Notes to the Financial Statements for the Year ended 31st March, 2018

35 (C) : Financial Risk Management- Objectives and Policies

The company's financial liabilities comprise mainly of viz., 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.

The Company has financial risk exposure in the form of viz., 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 three types of risk: 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 does not have any Long Term Loans from Financial Institutions. The Company is having Working Capital facility limit of Rs. 2700 lakhs facility with Banks. The company also discounts its receivables to meet its short term fund requirements. The interest rate is @ 11.25% depending upon the change in MCRL Rate. Interest on loans from companies is at a fixed rate of 12% and hence there is no interest risk on the loan.

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 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

	Impact on Profit before tax
Interest rates - increased by 50 basis points	(15.53)
Interest rates - decreased by 50 basis points	15.53

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

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



Notes to the Financial Statements for the Year ended 31st March, 2018

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. The Company is having outstanding of US\$ 3.07 is equivalent to Indian Rs.200.49 as on 31.03.2018.

In respect of batteries, exports are made against advances received or against confirmed LCs of usance period not exceeding 30 days. Hence, the Company is not exposed to any significant foreign currency risk in respect of its exports.

1) 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 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. The Defense Organisation of Government of India and 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.

The Lead Acid Batteries Division is sells its products through Private Labeling arrangements. Customer pays 70% of its order value through opening LC for procuring raw materials. Balance 30% payments received after 90 days of credit and it is also protected to the extent of raw materials received.

2) 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 another 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 investments in mutual funds, and
- (ii) making available the funds from realizing timely maturities of financial assets to meet the obligations when due.

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



Notes to the Financial Statements for the Year ended 31st March, 2018

36(1) Effect of Ind AS adoption on Balance Sheet as at 1st April, 2016

₹ in Lakhs

Particulars	Previous GAAP 01.04.2016	Effect of Transition to Ind AS	Ind AS as on 01.04.2016
Assets			
Non-current Assets			
(a) Property, plant and equipment	1537.18	1963.36	3500.54
(b) Financial Assets			
(i) investments	6.07	23.78	29.85
(ii) Loans	14.46	-	14.46
(c) Deferred tax Asset (Net)	831.63	(250.79)	580.84
	2389.34	1736.35	4125.69
Current Assets			
(a) Inventories	1744.50	-	1744.50
(b) Financial Assets			
(i) Trade Receivables	724.79	(279.18)	445.61
(ii) Cash and cash equivalents	83.63	-	83.63
(iii) Bank Balances other than (ii) above	72.07	-	72.07
(iv) Loans	20.72	-	20.72
(v) Others	0.04	-	0.04
(c) Current Tax Assets (Net)	118.18	-	118.18
(d) Other current assets	183.55	-	183.55
	2947.48	(279.18)	2668.30
Total	5336.82	1457.17	6793.99
Equity and Liabilities			
Equity			
(a) Equity Share capital	179.28	-	179.28
(b) Other Equity	47.80	1290.30	1338.10
Liabilities			
Non-current Liabilities			
(a) Financial Liabilities	-	-	-
(i) Long Term Borrowings	82.00	9.54	91.54
(b) Provisions	38.48	-	38.48
(c) Other non current liabilities	534.87	-	534.87
	882.43	1299.84	2182.27
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	2693.20	-	2693.20
(ii) Trade Payables	842.53	75.66	918.19
(iii) Other Financial liabilities	210.01	(11.48)	198.53
(b) Other non current liabilities	702.62	-	702.62
(c) Provisions	6.03	93.15	99.18
	4454.39	157.33	4611.72
Total	5336.82	1457.17	6793.99



Notes to the Financial Statements for the Year ended 31st March, 2018

36(2) Effect of Ind AS adoption on Balance Sheet as at 31st March, 2017

₹ in Lakhs

Particulars	IGAAP as on 31.03.2017	Effect of Transition to Ind AS	Ind AS as on 31.03.2017
I. Assets			
Non-current Assets			
(a) Property, plant and equipment	1417.87	1963.36	3381.23
(b) Financial Assets			
(i) Investments	6.08	80.04	86.12
(ii) Loans	12.56	-	12.56
(c) Deferred tax Asset (Net)	818.86	(437.18)	381.68
	2255.37	1606.22	3861.59
Current Assets			
(a) Inventories	2406.62	-	2406.62
(b) Financial Assets			
(i) Trade Receivables	1637.67	(240.27)	1397.40
(ii) Cash and cash equivalents	1.79	-	1.79
(iii) Bank Balances other than (ii) above	75.98	-	75.98
(iv) Loans	19.53	-	19.53
(c) Current Tax Assets (Net)	71.02	-	71.02
(d) Other current assets	213.09	-	213.09
	4425.70	(240.27)	4185.43
Total Assets	6681.07	1365.95	8047.02
Equity and Liabilities			
II. Equity			
(a) Equity Share capital	179.28	-	179.28
(b) Other Equity	81.73	1223.22	1304.95
III. Liabilities			
Non-current Liabilities			
(a) Financial Liabilities	672.00	56.84	728.84
(i) Long Term Borrowings	41.17	-	41.17
(b) Provisions	644.76	-	644.76
(c) Other non current liabilities	1618.94	1280.06	2899.00
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	2704.95	-	2704.95
(ii) Trade Payables	1478.79	75.66	1544.45
(iii) Other Financial liabilities	321.92	(67.53)	254.39
(b) Other non current liabilities	541.13	-	541.13
(c) Provisions	15.34	77.76	93.10
	5062.13	85.89	5148.02
Total Equity and Liabilities	6681.07	1365.95	8047.02



Notes to the Financial Statements for the Year ended 31st March, 2018

36(3) Effect of Ind AS transition on Statement of Profit and Loss as at 31st March, 2017

₹ in Lakhs

Particulars	IGAAP as on 31.03.2017	Effect of Transition to Ind AS	Ind AS as on 31.03.2017
Revenue from Operations			
Revenue from sale of products (including Excise duty)	4801.97	-	4801.97
Less : Excise Duty	82.98	(82.98)	-
Net Revenue from Sale of Products	4718.99	82.98	4801.97
Other Income	15.89	-	15.89
Total Income	4734.88	82.98	4817.86
Expenses :			
Cost of Materials Consumed	2680.20	-	2680.20
Changes in inventories of finished goods stock-in-trade and work in Progress	(300.78)	-	(300.78)
Excise duty	-	82.98	82.98
Employee Benefits Expense	773.44	(4.52)	768.92
Finance Cost	426.16	(8.76)	417.40
Depreciation and Amortization Expenses	132.01	-	132.01
Other Expenses	977.15	(54.30)	922.85
Total Expenses	4688.18	15.40	4703.58
Profit Before Exceptional Items and tax	46.70	67.58	114.28
Exceptional Items	-	-	-
Profit / (Loss) Before Tax	46.70	67.58	114.28
Tax Expenses			
(1) Current Tax	-	-	-
(2) Deferred Tax	12.77	187.55	200.32
Profit / (Loss) for the period from Continuing Operations	33.93	(119.97)	(86.05)
Profit / (Loss) from discontinued Operations	-	-	-
Tax expenses of discontinued operations	-	-	-
Profit / (Loss) from Discontinued operations (after tax)	-	-	-
Profit / (Loss) for the period	33.93	118.81	86.05
Other Comprehensive Income			
A. Items that will not be reclassified to Statement of profit and Loss			
(i) Remeasurement benefit of the defined benefit plans	-	(4.52)	(4.52)
(ii) Income tax expense on remeasurement benefit of the defined benefit plans	-	1.16	1.16
(iii) Net fair value gain / loss on investment in equity instruments through OCI	-	56.26	56.26
B Items that will be reclassified to Statement of Profit and loss	-	-	-
Total Other Comprehensive Income	-	52.90	52.90
Total Comprehensive Income for the period (Comprising Profit / (Loss) and other Comprehensive Income for the Period)	33.93	(67.07)	(33.14)
Earnings per equity shares (face value of ₹ 10/- each)			
Basic and Diluted	1.89	(6.69)	(4.80)



Notes to the Financial Statements for the Year ended 31st March, 2018

Reconciliation of Total Comprehensive Income for the year ended 31st March, 2017

₹ in Lakhs

Nature of Adjustments	Foot Notes	For the year ended 31.03.2017
Net Profit as per Previous GAAP		33.93
Remeasurement of Defined Benefit Plans	g	4.52
Impairment loss on Trade Receivables	d	63.20
Provision for Liquidated Damages	d	(8.90)
Gain on Loan from Companies measured at Amortised Cost	d	8.75
Deferred Taxes	e	(187.55)
Net Profit as per Ind AS		(86.05)
Other Comprehensive Income (Net of Tax)	b&g	52.90
Total Comprehensive Income as per Ind AS		(33.15)

Reconciliation of Equity as at 31st March, 2017 and 1st April 2016

₹ in Lakhs

Nature of Adjustments	Foot Notes	As at 31.03.2017	As at 01.04.2016
Equity as per Previous GAAP (i)		261.01	227.08
Effect of measuring Land at Fair Value	c	1963.36	1963.36
Impairment loss on Trade Receivables	d	(240.27)	(279.18)
Provision for Liquidated Damages	d	(77.76)	(93.15)
Gain on Loan from Companies measured at Amortised Cost	d	10.69	1.94
Restatement of Materials with Sub Contractors	d	(75.66)	(75.66)
Deferred Taxes	e	(437.18)	(250.79)
Effect of measuring Investments at FVTOCI	b&g	80.04	23.78
Total Effect of transition to Ind AS (ii)		1223.22	1290.30
Equity as per Ind AS (i)+(ii)		1484.23	1517.38

Effect of adoption of Ind AS on Statement of Cash Flows for the period ending 31st March 2017

₹ in Lakhs

Nature of Adjustments	Foot Notes	For the year ended 31.03.2017		
		Previous GAAP	Effect of Transition to Ind AS	Ind AS
Net cash flows from Operating Activities		-	-	-
Net cash flows from Investing Activities	h	5.63	(5.63)	-
Net cash flows from Financing Activities	h	-	5.63	5.63
Net Increase in Cash and Cash Equivalents		-	-	-
Cash and Cash Equivalents at the beginning of the year		-	-	-
Cash and Cash Equivalents at the end of the year		-	-	-



Notes to the Financial Statements for the Year ended 31st March, 2018

36: First Time Adoption of Ind AS

For all periods upto and including the year ended 31st March, 2017, the Company had prepared its financial statements in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ("Previous IGAAP"). This note explains the principal adjustments made by the Company in restating its financial statements prepared under Previous GAAP for the following:

- a) Balance Sheet as at 1st April, 2016 (Transition date);
- b) Balance Sheet as at 31st March, 2017,
- c) Statement of Profit and Loss for the year ended 31st March, 2017; and
- d) Statement of Cash flows for the year ended 31st March, 2017.

Exemptions availed:

Ind AS 101 First time adoption of Indian Accounting Standards, allows first-time adopters, exemptions from the retrospective application and exemption from application of certain requirements of other Ind AS. The Company has availed the following exemption as per Ind AS 101:

- i. The Company has elected to consider the carrying value of all its items of property, plant and equipment recognized in the financial statements prepared under Previous IGAAP and use the same as deemed cost in the opening Ind AS Balance Sheet except land, for which fair value as on date of transition is taken as deemed cost.
- ii. The Company elected not to apply "Ind AS 103 – Business Combinations" retrospectively for past business combinations.

Foot Notes for First Time adoption of Ind AS:

a) Materiality

The company has applied the standards only to items / transactions which are material.

b) Non-Current Investments:

In the financial statements prepared under Previous GAAP, Non-current Investments of the Company were measured at cost less provision for diminution. Ind AS requires investments to be recognized at Fair Value. Under Ind AS, the Company has recognized such investments at Fair Value through Other Comprehensive Income (FVTOCI) through an irrevocable option.

On the date of transition to Ind AS, the difference between the fair value of Non-Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous IGAAP, has resulted in an increase in the carrying amount of these investments by Rs.23.78 lakhs which has been recognized as Effect of Measuring Investments at fair value – under Other Comprehensive Income (OCI).



Notes to the Financial Statements for the Year ended 31st March, 2018

On 31st March, 2017, the difference between the fair value of Non-Current Investments as per Ind AS and their corresponding carrying amount as per financial statements prepared under Previous IGAAP, has resulted in an increase in the carrying amount of these investments by Rs.80.04 lakhs which has been recognized as Effect of Measuring Investments at fair value – under Other Comprehensive Income (OCI).

The above has resulted in increase in equity by Rs.23.78 Lakhs as at the date of transition to Ind AS and by Rs.56.26 Lakhs as at 31st March, 2017.

c) Property, Plant and Equipment:

The company has adopted the fair value of land Rs.1987.82 Lakhs as on the transition date as deemed cost, with the impact of Rs.1963.36 lakhs. In accordance with Ind AS the same is recognized directly under retained earnings.

The consequent deferred tax impact is Rs.382.13 lakhs is also adjusted to retained earnings with other adjustment for deferred tax.

d) Fair Valuation of Financial Assets and Financial Liabilities:

On the date of transition to Ind AS in accordance with Ind AS-109, the company has valued its financial assets – Trade receivables, Material with Sub Contractors and financial liabilities at fair value. The resultant adjustment on the transition date is as follows:

Particulars	Adjustments as on 01.04.2016	Adjustments as on 31.03.2017
Impairment Loss on Trade Receivables (LD Levied)	(279.18)	(240.27)
Provision for Liquidated Damages	(93.15)	(77.76)
Gain on Loan from Companies measured at Amortized cost	1.94	10.69
Restatement of Materials with Sub Contractors	(75.66)	(75.66)
Total	(446.05)	(383.00)

Out of the impairment provision on Trade Receivables of Rs. 279.18 Lakhs, Rs. 100.98 Lakhs was provided under the Previous IGAAP and consequently the provisions recognized in the financial statements prepared under IGAAP for the year ended 31st March, 2017 is reversed and the restatement of Inter Corporate Loans at Amortized Cost using EIR method has resulted in gain of Rs.8.75 Lakhs, recognized in retained earnings as on 31st March, 2017.

e) Deferred Tax

In the financial statements prepared under the previous GAAP, deferred tax was accounted as per Income Approach, which required creation of deferred tax asset/liability on timing differences between taxable profit and accounting profit. Under Ind AS, deferred tax is accounted as per Balance Sheet approach, which requires creation of deferred tax asset/liability on temporary differences between the carrying amount of an asset/liability in the Balance Sheet and its corresponding tax base.



Notes to the Financial Statements for the Year ended 31st March, 2018

The transitional adjustments have led to temporary differences and creation of deferred tax thereon.

The above changes have resulted in creation of deferred tax liabilities amounting to Rs.250.79 Lakhs as at the date of transition to Ind AS.

The applicable tax rate for the company has come down to 25.75% from 30.9% from FY 2017-18. As the applicable tax rate got enacted on 31.03.2017, the deferred tax asset/liabilities were reassessed at the new rate and the net deferred tax asset written off Rs.437.18 Lakhs is adjusted in the comparative financial period FY 2016-17.

f) Revenue from Sale of Products:

Under the previous GAAP, Revenue from sale of products was presented net of excise duty while under Ind AS, excise duty is presented separately on the face of Profit and Loss. Hence the revenue amount as on 31st March, 2017 is increased by Rs.82.98 Lakhs and shown as expense in the Statement of Profit and Loss.

g) Re-measurement of Defined Benefit Plans:

In the financial statements prepared under Previous IGAAP, re-measurement benefit of Defined Plans (Gratuity), arising primarily due to change in actuarial assumptions was recognized as employee benefit expense in the Statement of Profit and Loss. Under Ind AS, such re-measurement benefit relating to defined benefit plans is recognized in OCI as per the requirements of Ind AS 19 - Employee benefits. Consequently, the related tax effect of the same has also been recognized in OCI.

For the year ended 31st March, 2017, re-measurement of gratuity liability resulted in a net loss of Rs.4.52 lakhs which has now been removed from employee benefits expense in the Statement of Profit and Loss and recognized separately in OCI. This has resulted in decrease in employee benefits expense by Rs.4.52 lakhs and the loss recognized in OCI is Rs.4.52 lakhs for the year ended 31st March, 2017. Consequently, tax effect of the same amounting to Rs.1.16 lakhs is also recognized separately in OCI.

The above changes do not affect Equity as at date of transition to Ind AS and as at 31st March, 2017.

h) Effect of Ind AS adoption on Statement of Cash Flow:

According to the provisions of Ind AS 7, Interest received which was earlier grouped under Financing Activity has been grouped under Investing Activity.



Notes to the Financial Statements for the Year ended 31st March, 2018

Note No 37

Information on Related party Transactions as Required by Ind AS - 24 Related Party Disclosure for the year ended 31st March 2018

Terms and Conditions of transactions with parties :

The Company has obtained loan from Time Square Investments for Rs. 260 Lakhs which is repayable at the end of 5 years in 2023 along with Interest at the rate of 12%

A. Key Managerial Personnel

Sl.No	Name	Designation
i	Shri Dr. G. A. Pathanjali	Managing Director
ii	Shri S V Raju	Company Secretary
iii	Shri R Swaminathan	Chief Financial Officer
iv. Board of Directors		
1	Shri N Gopalaratnam	Chairman
2	Shri R Vaidyanathan	Director
3	Shri A L Somayaji	Director
4	Shri Cmde R P Prem Kumar	Director
5	Shri Rajeev Chathurvedi	Director (Nominee of LIC)
6	Shri M Natarajan	Director
7	Shri S Mohapatra (upto 10.02.2018)	Director
8	Smt. Laliitha Lakshmanan	Director

B. Related Party as per Companies Act, 2013

Sl.No	Name	Relationship
i	Time Square Investments Private Limited	As per Sec-2(76) of Companies Act, 2013

Notes to the Financial Statements for the Year ended 31st March, 2018

(a) Remuneration to Chairman, Managing Director and other Whole - time Directors

₹ in Lakhs

Current Year 2017 - 2018	Shri GA Pathanjali	Shri R Swaminathan	Shri S V Raju
Short term employee benefits	29.40	8.44	4.20
Post Employee benefits (gratuity) & Long term benefits (Superannuation fund)	2.72	-	-
Contribution to provident Fund	2.16	0.27	-
Total	34.28	8.71	4.20

₹ in Lakhs

Previous Year 2016 - 2017	Shri GA Pathanjali	Shri R Swaminathan	Shri S V Raju
Short term employee benefits	25.22	6.94	4.20
Post Employee benefits (gratuity) & Long term benefits (Superannuation fund)	2.70	-	-
Contribution to provident Fund	2.16	0.26	-
Total	30.08	7.20	4.20

(b) Sitting Fees to Directors

₹ in Lakhs

Particulars	Year 2017-18	Year 2016-17
Sitting fees	3.28	3.73
Total	3.28	3.73

(c) Transaction with Related Entities

₹ in Lakhs

Particulars	Year 2017-18	Year 2016-17
Loan Received during the year	80.00	150.00
Interest for the year	24.39	13.17
Loan Outstanding	260.00	180.00
Interest Payable on Inter Corporate Loans	40.88	17.33

38 Earnings per Share

₹ in Lakhs

Particulars	Year 2017-18	Year 2016-17
Profit after Tax	328.46	(86.05)
Weighted average no of Shares	17.93	17.93
Basic earnings per share (₹)	18.32	(4.80)
Diluted earnings per Share (₹)	18.32	(4.80)



Notes to the Financial Statements for the Year ended 31st March, 2018

39 Offsetting of Financial Assets and Financial Liabilities

₹ in Lakhs

Particulars	Year 2017-18	Year 2016-17
Trade Payable to MSMED Vendor	47.92	-
Deposits in lien to MSMED Vendor	35.00	-
Net Liability Sundry Creditors - MSMED	12.92	-

40 Disclosures relating to Provisions

₹ in Lakhs

Particulars	Provisions for Warranties		Provisions for Liquidated Damages	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Opening Balance	18.71	10.77	77.76	93.15
Additions	-	7.94	-	-
Utilisations	-	-	-	-
Reversals	-	-	55.64	15.39
Closing Balance	18.71	18.71	22.12	77.76

41 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 Rs 29.75 Lakhs (Year ended March 31, 2017 Rs 31.70 Lakhs) for Provident Fund contributions and Rs 12.96 Lakhs (Year ended March 31, 2017 Rs 4.00 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, the most recent actuarial valuation of the plan assets and in respect of Gratuity the present value of the defined benefit obligation were carried out by actuarial valuation. 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 and 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 and Leave 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).



Notes to the Financial Statements for the Year ended 31st March, 2018

Investment Risk :

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk :

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future, based on past experience. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk :

The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out adverse compared to the assumptions

₹ in Lakhs

Particulars	Post Employment Benefit Funded plan	
	As at 31.03.2018	As at 31.03.2017
(i) Changes in Defined Benefit Obligation		
Present value of Opening Balance	178.73	165.19
Current Service Cost	6.88	7.10
Interest Cost	11.50	12.54
Actuarial (Gain) / Loss	(5.17)	2.84
Benefits paid	(24.18)	(8.94)
Present value - Closing Balance	167.75	178.73
(ii) Changes in the fair value of Plan Assets		
Opening Balance	187.85	177.84
Expected Return	12.64	13.71
Actuarial (Gain) / Loss	1.34	0.56
Contributions by employer	14.89	4.68
Benefits paid	(24.18)	(8.94)
Closing Balance	192.54	187.85
Actual Return	13.98	14.27
(iii) Amounts recognised in the Balance Sheet (as at year end)		
Present Value of Obligations	167.75	178.73
Fair Value of Plan Assets	192.54	187.85
Net Asset / (Liability) recognised	24.79	(9.12)
(iv) Expenses recognised in the Profit and Loss account statement		
Current Service Cost	6.88	7.10
Interest on obligation	(1.14)	(1.17)
Actuarial (Gain) / Loss recognised during the period	-	-
Total included in "Employee benefit expense"	5.74	5.93



Notes to the Financial Statements for the Year ended 31st March, 2018

₹ in Lakhs

Particulars	Post Employment Benefit Funded plan	
	As at 31.03.2018	As at 31.03.2017
(i) Expenses recognized in Other Comprehensive Income		
Remeasurement on the net defined benefit liability		
- Actuarial Gain and Losses arising from changes in financial Assumption	(5.17)	2.84
- Actuarial Gain and Losses arising from changes in experience adjustment	-	-
Return on plan assets	(1.34)	(0.56)
Net cost in other Comprehensive Income	(6.51)	2.28
Asset information		
- Insurer managed	100%	100%
Principal actuarial assumptions		
Mortality	Indian assured Lives Mortality (2006 - 2008)	
Discount rate (%)	7.58%	6.90%
Future Salary increase (%)	5%	5%
Expected Rate of return of plan assets %	7.58%	6.90%
Expected average remaining working lives of employees (years)	8.70	8.80
Expected contribution	20.00	20.00

The Company pays contributions to the insurer as determined by them. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds and Money Market Instruments. The expected rate of return on plan assets based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation. Significant actuarial assumptions for the determination of the defined benefit obligation are as discussed above.

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:

₹ in Lakhs

Particulars	As at 31.03.2018	As at 31.03.2017
Discount Rate		
- 0.5% Increase	163.30	-
- 0.5% Decrease	172.42	-
Salary Growth Rate		
- 0.5% Increase	172.59	-
- 0.5% Decrease	163.09	-



Notes to the Financial Statements for the Year ended 31st March, 2018

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 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 a increase in liability without corresponding increase in the asset)

The Company's best estimate of the contribution expected to be paid to the plan during the next year is ₹ 20.00 Lakhs (Previous year 2017 ₹ 20.00 Lakhs).

42 Segment Reporting

Factors used to identify Reporting Segments:

The company has the following reporting segments, which are its reporting segments. These segments offer different types of batteries to different types of customers and are managed separately because they require different technology and production process. Operating segment disclosures are consistent with the information provided to and reviewed by the Chief Operating Decision Maker.

Reportable Segment	Products offered
Aerospace, Naval and Power System Batteries	Silver Zinc Batteries are manufactured in this segment, the customers being the defence ministry of Indian Government
Lead Acid Batteries	Batteries for commercial application is manufactured in this segment

The measurement principles of segment are consistent with those used in significant Accounting Policies.

There is no Inter - Segment transfer.



Notes to the Financial Statements for the Year ended 31st March, 2018

₹ in Lakhs

Particulars	Year 2017 - 2018			Year 2016 - 2017		
	Main Plant	LAB	Total	Main Plant	LAB	Total
A. Segment Revenue	5067.38	901.93	5969.31	4528.71	206.17	4734.88
B. Segment Results	1141.98	(180.27)	961.71	782.76	(253.95)	528.81
C. Specified Amounts Included in Segment Results						
(i) Depreciation	40.13	88.51	128.64	36.26	95.75	132.01
D. Reconciliation of Segment Result with Profit After Tax						
Segment Results	1141.98	(180.27)	961.71	782.76	(253.95)	528.81
Add / Less :						
Interest Income			7.57			5.64
Finance Cost			(490.90)			(417.40)
Dividend Received			1.04			0.52
Income Tax Expenses			(134.57)			(200.32)
Other Unallocable Expenses Net of unallocable income			(16.39)			(3.30)
Total of Unallocable Items			(633.25)			(614.86)
Profit after tax as per Statement of Profit and Loss			328.46			(86.05)



Notes to the Financial Statements for the Year ended 31st March, 2018

₹ in Lakhs

Particulars	As on 31.03.2018			As on 31.03.2017			As on 01.04.2016		
	Main Plant	LAB	Total	Main Plant	LAB	Total	Main Plant	LAB	Total
E. Other Information									
Segment Assets	6619.16	1218.62	7837.78	6123.16	1250.53	7373.69	4606.28	1349.40	5955.68
Unallocable Assets	-	-	534.22	-	-	673.33	-	-	838.31
Total Assets	-	-	8372.00	-	-	8047.02	-	-	6793.99
Segment Liabilities	6222.49	107.60	6330.09	6380.80	53.13	6433.93	5118.73	57.08	5175.81
Unallocable Liabilities	-	-	216.51	-	-	128.86	-	-	100.79
Total Liabilities	-	-	6546.60	-	-	6562.79	-	-	5276.60

F. Revenue from External Customers :

Two customers contribute to more than 10% of the revenue of Aerospace, Naval and Power Systems Segment and One customer contributes to more than 10% of the revenue of Lead Acid Batteries Segment.

43 Approval for issue of Financials

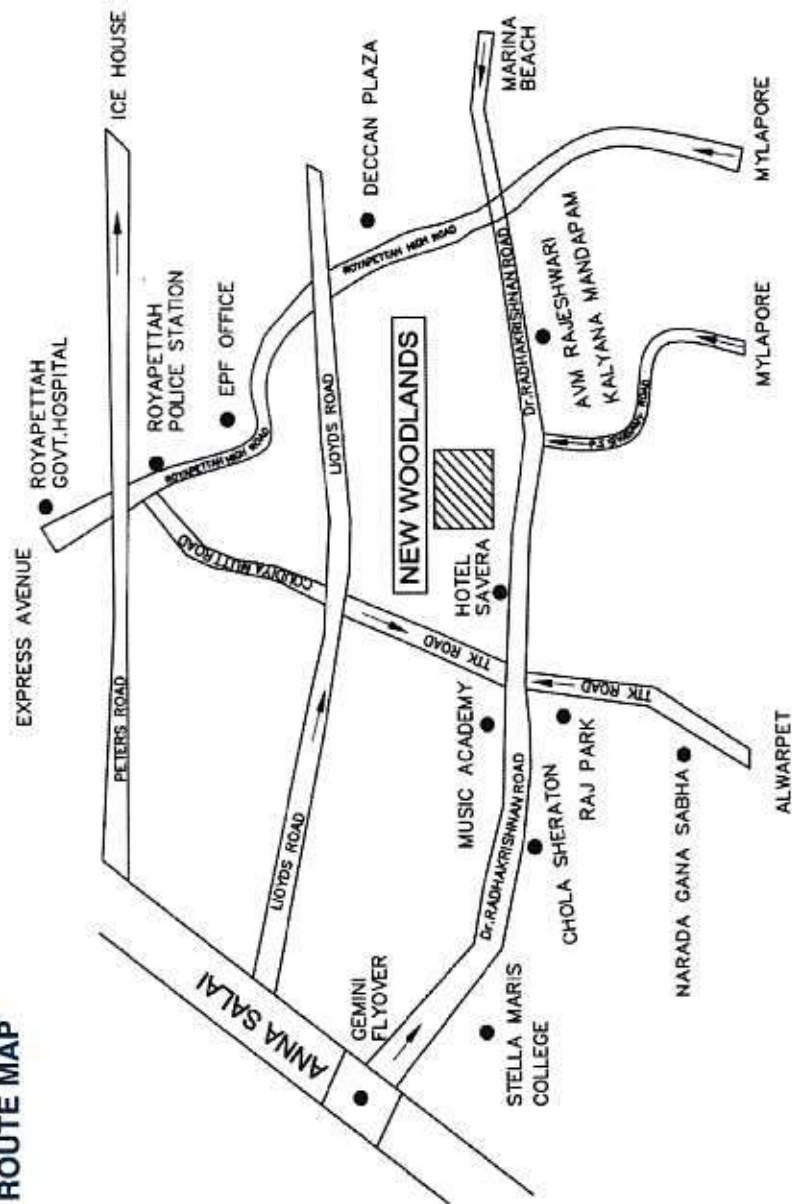
The financial Statements were approved for issue for issue by the Board of Directors at the Board Meeting held on 26th May, 2018



Financial Highlights - Ten years at Glance

For the Year	2008 - 09	2009 - 10	2010 - 11	2011 - 12	2012 - 13	2013 - 14	2014 - 15	2015 - 16	2016 - 17	2017 - 18
Total Income	2443.74	2772.29	3691.08	5611.85	6674.73	3154.77	3281.88	2294.71	4817.86	5983.13
Total Expenditure	2079.03	2602.63	3347.67	4903.15	6021.40	3409.66	3580.24	2927.36	4154.17	4900.56
PBIDT	364.71	169.66	343.41	708.70	653.33	(244.89)	(298.36)	(632.65)	663.69	1082.57
Finance Cost	148.16	304.12	316.71	489.05	441.24	582.38	616.91	547.85	417.40	490.90
Depreciation	57.59	139.95	169.86	165.02	160.98	150.49	153.69	122.23	132.01	128.64
Profit before exceptional items	-	-	-	-	-	-	(1068.96)	(1302.74)	114.28	463.03
Exceptional items	-	-	-	-	-	-	639.69	242.59	-	-
PBT	158.96	(274.41)	(143.16)	54.63	51.11	(977.77)	(429.27)	(1060.15)	114.28	463.03
Tax Expenses	61.72	(93.61)	(98.96)	(15.52)	(14.51)	(977.77)	(429.27)	(1060.15)	(200.32)	134.57
PAT	97.24	(180.80)	(44.19)	39.11	36.60	(622.54)	(281.14)	(687.98)	(86.05)	328.46
Other Comprehensive Income	-	-	-	-	-	-	-	-	52.90	12.69
Total Comprehensive Income	-	-	-	-	-	-	-	-	(33.15)	341.16
EPS (₹)	10.85	(11.09)	(2.47)	2.18	2.04	(34.73)	(15.68)	(38.38)	(4.80)	18.32
Cash EPS (₹)	17.28	(2.28)	7.01	11.38	11.02	(26.32)	(7.11)	(31.56)	5.51	25.50
Dividend %	35	-	-	-	10	-	-	-	-	-
As at the year end										
Gross Block	1618.36	3553.79	3546.23	3577.14	3600.08	3638.12	3591.81	3596.08	5572.15	5601.24
Net Block	587.66	2384.07	2212.10	2090.57	1954.96	1842.51	1655.12	1537.16	3381.23	3251.67
Loan Funds	2922.19	2595.29	2605.68	2457.73	3040.49	3744.34	3719.48	2775.20	2704.95	3107.14
Net Worth	1132.55	1824.74	1780.55	1819.66	1835.28	1212.75	915.03	227.06	1484.23	1825.39
Book Value per Share (₹)	126.35	101.78	99.32	101.50	102.37	67.65	51.04	12.67	82.79	101.82

ROUTE MAP





HIGH ENERGY BATTERIES (INDIA) LIMITED

CIN : L36999TN1961PLC004606

Registered Office : 'ESVIN HOUSE',

13, Old Mahabalipuram Road, Perungudi, CHENNAI - 600 096.

ATTENDANCE SLIP

Folio No.	DP ID*	Client ID*	No. of Shares

*Applicable to Members holding shares in Electronic Form

I, _____ (Name of the Shareholders / Proxy) hereby record my presence at the 57th Annual General Meeting of the Company held on Saturday, the 28th July 2018 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

Registered Office : 'ESVIN HOUSE',

13, Old Mahabalipuram Road, Perungudi, CHENNAI - 600 096.

PROXY FORM

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

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 57th Annual General Meeting of the Company, to be held on Saturday, the 28th day of July 2018 at 11.00 A.M at New Woodlands Hotel Pvt Ltd., 72-75 Dr Radhakrishnan Road, Mylapore, Chennai 600 004 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution No	Business	Vote (Optional see Note 4) (Please mention no. of shares)		
		For	Against	Abstain
1	Adoption of Financial Statements for the FY 2017-18			
2	Reappointment of Mr. N Gopalaratnam, who retires by rotation			

Signed this _____ day of _____ 2018

Signature of Shareholder

Signature of Proxy holder(s)

Affix ₹ 1
Revenue
Stamp

Note:

1. Proxy

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.

Deposit of proxy

Proxies in order to be effective, must be received at the Registered Office of the Company not later than 48 hours before the meeting or in the case of poll not less than 24 hours before the time appointed for the taking of the poll.

- 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 person shall not act as a proxy for any other person or shareholder.
- In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
- It is optional to indicate your preference. 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.