



Directors

Mr. N. Gopalaratnam (Chairman)
Dr. G.A. Pathanjali (Managing Director)
Mr. T. R. Sivaraman (Director - Finance)
Mr. R. Vaidyanathan
Mr. A.L. Somayaji
Cmde R.P. Prem Kumar, VSM, (Retd.)
Mr. M. Natarajan
RAdm. S. Mohapatra
Mrs. T. V. Rajalakshmi
Mr. Raj Kumar (Nominee of LIC)

Audit Committee

Mr. A.L. Somayaji (Chairman)
Cmde R.P. Prem Kumar, VSM, (Retd.)
Mrs. T. V. Rajalakshmi
Mr. Raj Kumar (Nominee of LIC)

Nomination cum Remuneration Committee

Mr. A.L. Somayaji (Chairman)
Cmde R.P. Prem Kumar, VSM, (Retd.)
Mr. Raj Kumar (Nominee of LIC)

Stakeholders Relationship Committee

Mr. N. Gopalaratnam (Chairman)
Dr. G.A. Pathanjali
Mr. R. Vaidyanathan

Secretary

Mr. S.V. Raju

Auditors

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

Internal 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.

Bankers

UCO Bank
Canara Bank
Indian Bank

Registered Office

"Esvin House",
13, Old Mahabalipuram Road,
Perungudi,
Chennai - 600 096.
Phone : 91- 44 - 24960335 / 39279318
Email : investor@highenergytld.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@highenergytld.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 is hereby given that the 54th Annual General Meeting of HIGH ENERGY BATTERIES (INDIA) LIMITED will be held at 11.00 A.M on Saturday, the 25th July 2015 at **New Woodlands Hotel Pvt. Ltd., No.72-75, Dr. Radhakrishnan Road, Mylapore, Chennai 600 004**, to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Financial Statements of the Company for the year ended 31st March 2015 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in the place of Mr. R. Vaidyanathan (holding DIN 00015156) who retires by rotation and being eligible offers himself for re-appointment.
3. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, the company do hereby ratify the appointment of auditors made by the shareholders at the 53rd AGM as under:

i) M/s R.Subramanian and Company, Chennai (ICAI Registration No.004137S) to hold office till the conclusion of 56th Annual General Meeting subject to ratification by members at the 55th Annual General Meeting.

ii) The Board of Directors be and are hereby authorized to fix their remuneration on the recommendation of Audit committee each year.”

SPECIAL BUSINESS – ORDINARY RESOLUTIONS

Remuneration of Cost Auditor

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT the Company do hereby confirm and ratify in terms of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder the remuneration as approved by the Board of Directors for Mr. S. Hariharan, Practising Cost Accountant (Membership No.20864), for conducting the audit of cost records of the company for the financial year 2015-16 at ₹30,000/- together with Service Tax, if any, plus reimbursement of out of pocket expenses for purpose of such audit”.

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

S.V. RAJU
Secretary

Chennai
May 30, 2015

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. 23rd July 2015.
3. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, 20th July, 2015 to Saturday, 25th July, 2015 (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 - 600 002 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. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed hereto:

7. 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 as amended on 19th March 2015, 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 as amended on 19th March 2015, the company is pleased to provide to its members the facility to exercise their right to vote at the 54th 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.



NOTICE TO THE SHAREHOLDERS

2. The e-Voting facility is offered through e-Voting services provided by Central Depository Services (India) Limited (CDSL).
3. E-Voting commences on Tuesday, the 21st July 2015 (10.00 AM) and ends on Friday, the 24th July 2015 (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 casted 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

NOTICE TO THE SHAREHOLDERS

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 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) **150611002** 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. (ii) to Sl. No. (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 A R Vasudevan
Designation	: Manager
Address	: CDSL, BSE Investor Service Centre No.4 Vijaya Towers, 3 rd Floor Kodambakkam High Road Chennai 600 034
Email ID	: vasudevan@cdslindia.com
Phone No.	: 93819 95000

(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



NOTICE TO THE SHAREHOLDERS

date attending the AGM are entitled to 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 18th day of July 2015. Members holding shares as on this 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 54th Annual Report for 2014-15 to them as and when they become members. In addition, the Annual Report is available on the company's 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 18th July 2015.
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.

EXPLANATORY STATEMENT

(As required under Section 102 of the Companies Act, 2013)

ITEM NO.4

The Company is engaged in two business segments, viz. Aerospace, Naval & Power System Batteries and Lead Acid Storage Batteries. The company is maintaining cost accounting records and getting them audited under provisions of Section 148 of the Companies Act, 2013.

While the remuneration for the audit of cost records is determined by the Board of Directors, it will have to be ratified by the shareholders at the following General Meeting.

Pursuant to the above, the Board of Directors have appointed Mr. S. Hariharan, Practising Cost Accountant (Membership No.20864) for the audit of cost records of the company for the financial year 2015-16 pertaining to both the segments and determined the remuneration

of ₹30,000/- plus out of pocket expenses incurred by him for this purpose based on the recommendations of the Board of Directors. It is now placed for the approval of Shareholders in accordance with Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

Copies of relevant resolutions passed by the Board is available for inspection of the members on any working day of the Company between 11.00 A.M. and 1.00 P.M.

No Director, Key Managerial Personnel or relative of them is concerned or interested, financially or otherwise, in this business.

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

S.V. RAJU
Secretary

Chennai
May 30, 2015

Reappointment of Director :

Details on Director seeking reappointment are furnished hereunder:-

Name of Director	Date of Birth	Date of First appointment	Expertise in specific functional areas	Qualification	Directorships in other companies	Committee/ Executive positions held in other companies
Mr. R. Vaidyanathan	13.02.1938	27.09.1961	Land Lord Associated with Seshasayee Group of Companies for more than five decades.	B.Sc.,	The Mayavaram Financial Chit Corporation Ltd.	-



BOARD'S REPORT

Your Board hereby present their 54th Annual Report and the Audited Accounts for the year ended 31st March, 2015.

OPERATING RESULTS

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

Particulars	₹ in Lakhs)			
	For the year Ended			
	2014 - 2015		2013 - 2014	
Sales (Net of Excise Duty and VAT / Sales Tax)		3228.30		3054.27
Profit / (Loss) before Finance Cost, Depreciation and Tax		341.33		(244.90)
Less:				
1. Finance Cost	616.91		582.38	
2. Depreciation	153.69	770.60	150.49	732.87
PROFIT / (LOSS) BEFORE TAX		(429.27)		(977.77)
Less:				
Provision for Taxation				
Current Tax	-		-	
Deferred Tax	(148.13)	(148.13)	(355.23)	(355.23)
NET PROFIT / (LOSS)		(281.14)		(622.54)

The Company has achieved a turnover of ₹3228.30 Lakhs against last year's turnover of ₹3054.27 Lakhs.

The Impasse of non receipt of Export orders and delayed receipt of indigenous orders for the Aerospace, Naval and Power System Battery division continued during the year under review. This coupled with lower orders and delayed collections in the Lead Acid Battery Division led to lower turnover and losses.

The efforts made by the Company to sell a portion of the surplus land materialized only during the end of year. Thus, the company ended the year with a loss before tax of ₹429.27

Lakhs as against ₹977.77 Lakhs in the previous year. The loss after tax works out to ₹281.14 Lakhs as against ₹622.54 Lakhs in the previous year.

DIVIDEND

As the Company has incurred loss, the Directors regret their inability to recommend any Dividend for the year under review.

PERFORMANCE HIGHLIGHTS

SILVER ZINC BATTERIES

The Company has achieved a turnover of ₹ 2213.84 Lakhs during the year as against ₹ 2171.93 Lakhs achieved during the previous year. The inordinate delay in receipt of orders from the Government Departments despite completion of negotiation meetings in the first half of the year led to lower turnover. The orders from DRDO Laboratories also could not be supplied as planned due to various delays / procedural formalities in the testing during development phase. Export orders from various countries did not materialize for various reasons including non release of budget allocations. Lower turnover and consequent losses impacted the cash flow and resulted in lower production and despatch.

NICKEL CADMIUM BATTERIES

As the company got some major orders for Aircraft Batteries in this division during the year, the turnover achieved stood at ₹414.08 Lakhs as against ₹130.94 Lakhs during the previous year.

LEAD ACID BATTERIES

The company could achieve a turnover of only ₹600.38 Lakhs against the turnover of ₹751.40 Lakhs during the previous year. Absence of major Private Label customers, intense competition from established players, poor collections and debtors led to lower turnover and consequently substantial losses in the Lead Acid Battery Division.

However, the company has developed and type tested batteries for Solar, Inverter, UPS

BOARD'S REPORT (Continued)

applications. This will contribute to higher turnover in future.

EXPORT

The company could achieve a turnover of ₹817.86 Lakhs as compared to ₹120.85 Lakhs achieved during the last year. Due to slow down of the global economy, the company's efforts to obtain orders from various countries did not bear fruits. The repeat order from OEM, the receipt of which was anticipated in the year under review also did not materialize on account of non completion of trials of the original equipment.

CURRENT YEAR - 2015-16

The Company is having reasonable orders from DRDO Laboratories. The type approvals of number of batteries for DRDO have already been completed and expected to be despatched during the current year. The Company has also taken further efforts to get the finalized orders from other customers. These regular orders along with the orders on hand will help the company to achieve a higher turnover as compared to the earlier year.

The Company continues to identify new markets and customers from overseas buyers to get both repeat and new orders in the current year.

The market for Lead Acid Batteries has become highly competitive and with aggressive marketing strategies of existing major players, the company continues to suffer with low volume of production and sales and consequent losses. The Company is exploring avenues to identify major Private Label customers to augment the volume of production and sales to curtail losses.

FINANCE

The lower turnover coupled with continuous losses severely impacted the cash flow of the company. This has resulted in adhoc / additional borrowings from banks to manage the working capital. Further, the delay in collection of debtors from the Lead Acid Battery Division added to the cash flow constraints.

Realising the above situation and in order to

infuse funds to the operations, the Company contemplated to sell a portion of the surplus land. However, this got completed only during the end of the year.

During the current year, the company will be getting advances from the customers for new orders and will be able to manage the cash flow without further borrowings.

ISO SYSTEMS

The company continues to be certified both under ISO 9001:2008 and ISO 14001:2004 (Revised) Systems.

RESEARCH AND DEVELOPMENT

The Company is now concentrating on various Silver Zinc Batteries for Missile applications and development of advanced batteries with enhanced life and performance are in progress. For Naval applications, the company is working on development cum supply orders involving Sea Water Activated Batteries both for Lightweight and Heavyweight Torpedoes.

Development and Qualification of Battery for Air Force version of BrahMos Missile is in progress.

CORPORATE GOVERNANCE

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. A report on Corporate Governance is provided in **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 compared to the earlier law. The applicable contents and disclosure have accordingly been made in the Corporate Governance report at the appropriate places which forms an integral part of this report.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in Form MGT-9 is given in **Annexure 2**.



BOARD'S REPORT (Continued)

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 loss 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.
- (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) read with Rule 15 of

Companies (Meeting of Board and its Power) Rules, 2014, the reporting requirements thereunder are not applicable.

MATERIAL CHANGES AND COMMITMENTS

There 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 2015 to the date of this report.

CONSERVATION OF ENERGY ETC.

Information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given in **Annexure -3**

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Section 135 of the Companies Act, 2013 has imposed CSR mandate on companies having minimum threshold limit of net worth, turnover or net profit as prescribed. Since the company does not meet any of these criterion, it remains outside the purview of Section 135 and consequently the reporting requirements thereunder are not applicable. However, as a responsible Corporate Citizen, the Company is organising tree plantation and associate itself with free medical camp organised by recognised hospitals.

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

BOARD'S REPORT (Continued)

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.

DIRECTORS

In accordance with Article 106 of the Articles of Association of the Company, Mr. R. Vaidyanathan, Director retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Pursuant to Section 149 of the Companies Act, 2013 read with Rules made thereunder Mr. M. Natarajan, RAdm. S Mohapatra and Mrs. T. V. Rajalakshmi were appointed as Independent Directors through Postal Ballot process for a fixed term of five years from 30th September 2014 and not liable to retire by rotation.

All the independent directors have given the declaration that they met 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 26th March 2015 meeting. The Board on the basis of such performance evaluation determined to continue the term of appointment of all the independent directors who have been appointed by the company at its 53rd AGM and who have been appointed

through Postal Ballot process for a fixed tenure of five years.

AUDITORS

M/s. R. Subramanian & Co., Chartered Accountants, Chennai, have been appointed as Statutory Auditors of the Company till the conclusion of 56th Annual General Meeting subject to ratification by members at every AGM. Accordingly requisite resolution for ratifying their appointment is proposed in the manner stated in the Notice for the 54th AGM.

Particulars of statutory auditors, cost auditor, internal auditors and the secretarial auditor have been given in the corporate governance report that forms an integral part of this report. Secretarial audit report as required by Section 204(1) of the Companies Act, 2013 is attached (**Annexure 5**).

ACKNOWLEDGEMENT

Your Directors wish to express their sincere thanks to

- i) the Defence Services, DRDO Laboratories, ISRO and Ministry of Defence for the whole-hearted support and encouragement received from them for indigenisation efforts on sophisticated high energy batteries;
- 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, Railways;
- iv) the Bankers for extending timely financial support for the continued successful performance of the company and
- v) to all the shareholders for their continued support.

(For the Board of Directors)

N. GOPALARATNAM
Chairman

Chennai 600 034
May 30, 2015



ANNEXURE - 1 to BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

Company's philosophy on Corporate Governance

Corporate Governance includes, among other things, apart from compliance with various legal requirements, inculcating a sense of integrity and responsibility in all aspects, not only among the members of the Board of Directors, but amongst the people at all levels of the organization. Only such a culture which results from voluntary compliance at all levels and amongst all ranks of employees, that is built and sustained over a period of time, can result in compliance that is true to the spirit of law, and not just its letter.

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

Applicability of code of Corporate Governance

SEBI vide Circular No. CIR/CFD/POLICY CELL/7/2014 dated 15th September 2014 amended the Clause 49 of the Equity Listing Agreement. According to the said Circular, the Clause 49 of the Listing Agreement is applicable to all companies whose equity shares are listed on a recognized stock exchange. However, compliance with the provisions of Clause 49 shall not be mandatory, for the time being, in respect of

- a) Companies having paid up equity share capital not exceeding ₹ 10 crore and Net Worth not exceeding ₹ 25 crore, as on the last day of the previous financial year.

- b) Companies whose equity share capital is listed exclusively on SME and SME-ITP Platforms.

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 such number of Non-Executive, Executive and Independent Directors as required under Clause 49 of the Listing Agreement. The Board consists of 10 Directors comprising one Non-Executive Chairman, two Executive Directors, one Nominee Director and five Independent Directors. 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.

ANNEXURE - 1 to BOARD'S REPORT

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 2014 - 2015		As on 31 st March 2015 (Including HEB)			Attendance at last AGM
				No. of Meet-ings	%	No. of Director -ships	Committee Position		
							As Chairman	As Member	
Mr. N. Gopalaratnam	06-06-1991	Non- Executive Chairman, Promoter	10200	6	100	6	2	2	YES
Dr. G.A. Pathanjali	30-05-2012	Managing Director	100	6	100	1	-	1	YES
Mr. T.R. Sivaraman	01-04-2014	Director (Finance)	870	6	100	1	-	-	YES
Mr. R. Vaidyanathan	27-09-1961	Promoter	2500	5	83	2	-	1	YES
Mr. Raj Kumar	19-06-2013	Nominee of Life Insurance Corporation of India	Nil	5	83	1	-	2	YES
Mr. A.L. Somayaji	23-03- 2002	Independent	3866	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	3	50	-	-	-	NO
RAdm S. Mohapatra*	30-09- 2014	Independent	Nil	3	50	-	-	-	NO
Mrs. T. V. Rajalakshmi*	30-09- 2014	Independent	Nil	3	50	4	-	1	NO

* Attended all the meetings since appointment.

Board Meetings

During the year 2014-15, 6 Board Meetings were held on 30.05.2014, 21.07.2014, 23.08.2014, 01.11.2014, 07.02.2015 and 26.03.2015. The last Annual General Meeting was held on 21.07.2014.

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. An Independent Director would also evaluate the performance of the chairperson of the company and to 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 2014-15, on 26th March 2015 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 three Independent Directors and one Nominee Director. The Chairman of the Committee is a Non Executive Independent Director. The Committee is entrusted with the responsibility to supervise the company's internal controls and financial reporting process. The Committee met 4 times

ANNEXURE - 1 to BOARD'S REPORT

during the year on 21.07.2014, 01.11.2014, 07.02.2015 and 26.03.2015. Details of its composition and attendance are given hereunder:-

Name of Member	Status	Attendance at Meetings	
		No.	%
Mr. A.L. Somayaji	Chairman	4	100
Cmde. R. P. Prem Kumar	Member	4	100
Mr. Raj Kumar	Member	4	100
Mrs. T. V. Rajalakshmi	Member	3	75

Stakeholders Relationship Committee

The Committee's role and responsibilities are to expeditiously process transfers, transpositions, transmissions, sub-divisions and consolidations of securities complying with SEBI Regulations and Listing requirements and redressal of Investors' grievances. 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 5 times during the previous year on 30.05.2014, 21.07.2014, 01.11.2014, 07.02.2015 and 26.03.2015. Details of its composition and attendance are given hereunder:-

Name of Member	Status	Attendance at Meetings	
		No.	%
Mr. N. Gopalaratnam	Chairman	5	100
Dr. G. A. Pathanjali	Member	5	100
Mr. R. Vaidyanathan	Member	4	80

Nomination - cum - Remuneration Committee

The Nomination-cum-Remuneration Committee comprises of 3 Non-Executive Directors. The 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.
- qualifications, positive attributes and independence of Directors.
- identifying candidates who are qualified to become Directors and who may be appointed in Senior Management and recommending to the Board their appointment and removal.
- reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, etc.
- evaluating performance of each Director and performance of the Board as a whole.

The Committee met 2 times during the previous year on 23.08.2014 and 26.03.2015. Details of its composition and attendance are given hereunder:-

Name of Member	Status	Attendance at Meetings	
		No.	%
Mr. A.L. Somayaji	Chairman	2	100
Cmde. R. P. Premkumar	Member	2	100
Mr. Raj Kumar	Member	1	50

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

- Policy on Director's Appointment & Remuneration

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

ANNEXURE - 1 to BOARD'S REPORT

Remuneration Policy. It inter alia deals with the manner of selection of Board of Directors and Managing Director and their remuneration. This policy is accordingly derived from the said chapter.

1. Criteria for selection of Non-Executive Directors

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

2. Remuneration Policy

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

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 & KMPs

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 and Director (Finance) are the only executive directors entitled for managerial remuneration. Dr. G.A. Pathanjali has been appointed as Managing Director and Mr. T. R. Sivaraman has been appointed as Director (Finance) for a tenure of three years from 01.04.2014. Considering the losses currently suffered, they are paid minimum remuneration in accordance with the approval granted by special resolution at the Annual General Meeting held on 21.07.2014. Their remuneration for FY 2014-15 is disclosed under Note 34 of the Financial Statements. Mr. T. R. Sivaraman, Director (Finance) is also appointed as CFO. There is no service contract containing provisions of notice period or severance package.

Mr. S.V. Raju, Company Secretary is the other KMP.

No Director or their relatives 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.

ANNEXURE - 1 to BOARD'S REPORT

Remuneration of Directors

Non Executive Directors are paid sitting fees at ₹5,000 per meeting of Board and Committee Meetings. The Sitting fee to Non Executive Directors is enhanced from ₹3,000/- to ₹5,000/- with effect from 23rd August 2014. 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		Total
	Board Meeting	Committee Meeting*	
Mr. N. Gopalratnam	26000	21000	47000
Mr. R. Vaidyanathan	21000	16000	37000
Mr. A. L. Somayaji	26000	28000	54000
Cmde. R. P. Prem Kumar	26000	28000	54000
Mr. M. Natrarajan @	15000	-	15000
RAdm. S. Mohapatra @	15000	-	15000
Mrs. T.V. Rajalakshmi @	15000	15000	30000
Mr. Raj Kumar Nominee of LIC	21000	23000	44000

★ Stakeholders Relationship Committee, Audit Committee and Nomination-cum-Remuneration Committee Meetings.

@ Inducted in the Board of HEB effective from 30th September 2014.

(ii) Performance Evaluation

The Board of Directors in March 2015 on the recommendations of the Nomination-cum-Remuneration Committee approved the Board evaluation framework. It has laid down specific criteria for performance evaluation covering -

- ◆ Evaluation of Board process
- ◆ 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 26.03.2015 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 directors were present at this meeting.

The Board at its 26.03.2015 meeting 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 has 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 2014-15.

Further, the Senior Management Personnel have declared to the Board that no material financial or commercial transactions were entered into by them during FY 2014-15 where they have personal interest that may have a potential conflict with the interest of the company at large.

ANNEXURE - 1 to BOARD'S REPORT

(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 changes in response to the dynamics of the business. The company is not currently required to constitute a Risk Management Committee.

(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 and Clause 49 of the Listing Agreement, the Company has established a vigil mechanism overseen by the Audit Committee. This has been uploaded in the Company's website.

No complaint under this facility was received in FY 2014-15.

(vi) Policy for Prevention of Sexual Harassment at Workplace

The company has in place a Policy for Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received on sexual

harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

No complaint on sexual harassment was received during FY 2014-15.

Other Compliances

Quarterly Financial Results

Pursuant to Clause 41 of the Listing Agreement, Quarterly Financial Results are approved by the Board on the recommendations of the Audit Committee. These are communicated to Stock Exchanges by email and fax after the conclusion of the Board Meeting and 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

Pursuant to Section 148 read with the Companies (Cost Records and Audit) Rules, 2014, the company has appointed Mr. S. Hariharan, Practising Cost Accountant (Membership No.20864), to undertake cost audit of the company for FY 2014-15. His remuneration was approved by the shareholders at the 53rd AGM.

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 Ministry of Corporate Affairs has accorded approval for the Secretarial Standards on Meetings of Board of Directors (SS-1) and General Meetings (SS-2) that come into force from 1st July 2015. The company's practices and procedures mostly meet with all these prescriptions and residual requirements will be taken care of.



ANNEXURE - 1 to BOARD'S REPORT

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 appointed Mr. B Kalyanasundaram, Practising Company Secretary (Membership No.A672), to undertake the secretarial audit of the company for FY 2014-15. The secretarial audit report was placed before the Board on 30th May 2015.

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. Maharaj N R Suresh and Company (ICAI Regn.No.001931S), Chennai to conduct internal audit of the functions and activities of the company for FY 2014-15. 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. T. R. Sivaraman, Chief Financial Officer as required under Clause 49(IX) of the Listing Agreement were placed before the Board at its meeting on 30th May 2015.

Review of Directors' Responsibility Statement

The Board in its Report has confirmed that the annual accounts for the year ended 31st March 2015 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.
- (iii) No loan or advance in the nature of loan was made during or outstanding at the close of the year to Associates or Firms/ Companies in which a director of the company is interested. Accordingly no disclosure in terms of Clause 32 on this score is applicable.

MEANS OF COMMUNICATION

Audited/Unaudited Financial Results

Period	Date of Approval by Board	Date of Publication	Newspaper
Quarter ended * 30 th June, 2014	21.07.2014	23.07.2014	Business Standard and Makkal Kural
Quarter ended * 30 th September, 2014	01.11.2014	03.11.2014	Business Standard and Makkal Kural
Quarter ended ** 31 st December, 2014	07.02.2015	09.02.2015	Business Standard and Makkal Kural
Year ended * 31 st March, 2015	30.05.2015	01.06.2015	Business Standard and Makkal Kural

* Audited

** Unaudited

The Company will continue to publish quarterly/ half-yearly results in newspapers in future. Copies of results will be made available in the company's website upon approval by the Board of Directors.

The results published will also show, by way of footnote, relevant additional information and/ or disclosures to the Investors.

ANNEXURE - 1 to BOARD'S REPORT

Others

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

The Company operates in;

- (a) Aerospace, Naval & Power System Batteries and
- (b) Lead Acid Storage Battery segments.

Segment-wise results is reported in Notes on Financial Statements under Item 35.

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 25 th July, 2015, 11.00 A.M.
Venue	New Woodlands Hotel Pvt. Ltd., No.72-75, Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004.
Book Closure	Monday, the 20 th July, 2015 to Saturday, the 25 th July, 2015 (Both days inclusive)
Cut-off date for e-voting	Saturday, the 18 th July, 2015

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 2015-16 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 2015 are furnished hereunder:

Mode of holding	Shareholders		Equity Shares	
	No.	%	No.	%
Physical	364	18.72	67496	3.76
Demat	1580	81.28	1725272	96.24
Total	1944	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.

Investor Correspondence

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

ANNEXURE - 1 to BOARD'S REPORT

- (a) respective Depository Participants, in case of demat holding
- (b) the Registrar & Transfer Agent, in case of physical holding

All queries on Annual Report, dividend and other clarifications may be addressed to the Registered Office of the Company at:

ESVIN House,
13, Old Mahabalipuram Road
Perungudi, Chennai 600 096
Phone: 044 - 24960335 / 39279318
Fax: 044- 24961785
Email: investor@highenergyltd.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 Clause 47 of the Listing Agreement with Stock Exchanges.

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 2015.

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 by the 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 2014	114.50	90.40	31793
May 2014	128.30	96.70	5148
June 2014	152.80	122.20	10365
July 2014	162.50	124.70	20435
August 2014	140.00	114.45	3368
September 2014	159.70	120.05	4678
October 2014	155.00	114.00	4658
November 2014	178.40	125.25	25442
December 2014	262.80	163.00	55162
January 2015	219.85	171.10	13070
February 2015	209.50	153.50	14379
March 2015	192.90	130.10	27300
		Total	215798

Shareholder Complaints

The Company has created a mail I.D investor@highenergyltd.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.

Particulars of complaints received during 2014-15;

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

SCORES

SEBI vide Circular dated 3rd June 2011, has advised all listed companies about processing of Investor complaints in a centralized web

ANNEXURE - 1 to BOARD'S REPORT

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. For the year ended 31st March 2015, no complaints were received and hence not posted in this system against our Company.

Distribution of Shareholding as on 31.03.2015

Slab	No. Shareholders		No. of Equity Shares	
	Total	%	Total	%
1-500	1721	88.53	145362	8.11
501-1000	102	5.25	78639	4.39
1001-2000	45	2.31	67444	3.76
2001-3000	22	1.13	55044	3.07
3001-4000	13	0.67	45731	2.55
4001-5000	4	0.20	18080	1.01
5001-10000	12	0.62	87811	4.90
Above 10000	25	1.29	1294657	72.21
Total	1944	100.00	1792768	100.00

Shareholding Pattern

Category	No. of Shareholders	%	No. of Equity Shares	%
Promoters	13	0.67	731531	40.80
FIs and Banks	2	0.10	239100	13.34
Other Corporate Bodies	50	2.57	78347	4.37
Clearing Members	4	0.21	212	0.01
Hindu Undivided Families	51	2.62	17262	0.96
NRI - Non-Promoter	11	0.57	1386	0.08
Trust	1	0.05	100	0.01
Public	1812	93.21	724830	40.43
Total	1944	100.00	1792768	100.00

Note : Out of above, Non Resident Indians/ Overseas Corporate Bodies hold 81386 shares constituting 4.54%.

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 : 155

Particulars of past 3 AGMs

AGM	Year	Venue	Date	Time
51 st	2011-2012	Hotel Benz Park, #62 Thirumalai Pillai Road, T. Nagar Chennai - 600 017	04.08.2012	11.00 AM
52 nd	2012-2013	New Woodlands Hotel Pvt. Ltd., 72-75, Dr. Radhakrishnan Road, Mylapore, Chennai 600 004	25.07.2013	11.00 AM
53 rd	2013-2014	New Woodlands Hotel Pvt. Ltd., 72-75, Dr. Radhakrishnan Road, Mylapore, Chennai 600 004	21.07.2014	11.00 AM

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



ANNEXURE - 1 to BOARD'S REPORT

Appointment of Independent Directors through Postal Ballot

Mr. M. Natarajan, RAdm S. Mohapatra and Mrs. T. V. Rajalakshmi were appointed as Independent Directors through Postal Ballot process conducted during the year 2014-15 to fulfill the requirement of Companies Act 2013 and Clause 49 of the Listing Agreement.

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. Remainders 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)
2007-2008	24.07.2008	24.08.2015	0.71
2008-2009	18.07.2009	18.08.2016	1.38
2009-2010	--	--	--
2010-2011	--	--	--
2011-2012	--	--	--
2012-2013	25.07.2013	25.08.2020	0.46
2013-2014	--	--	--
Total			2.55

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	30.06.2014	09.07.2014
		30.09.2014	07.10.2014
		31.12.2014	07.01.2015
		31.03.2015	17.04.2015

(For the Board of Directors)

N. GOPALARATNAM
Chairman

Chennai 600 034
May 30, 2015

ANNEXURE - 2 to BOARD'S REPORT

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2015

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 held by shares
v)	Address of the Registered Office and contact details	ESVIN House, 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	81.40
2	Lead Acid Storage Batteries	27201	18.60

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 01.04.2014				No.of Shares held at the end of the year 31.03.2015				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1)	Indian									
a)	Individual/HUF	15802	-	15802	0.88	15802	-	15802	0.88	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	634229	-	634229	35.38	635729	-	635729	35.46	0.08
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total(A)(1)	650031	-	650031	36.26	651531	-	651531	36.34	0.08
2)	Foreign									
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other - Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	80000	-	80000	4.46	80000	-	80000	4.46	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub-Total (A)(2)	80000	-	80000	4.46	80000	-	80000	4.46	-
	Total share-holding of Promoters (A) = A(1)+A(2)	730031	-	730031	40.72	731531	-	731531	40.80	0.08

ANNEXURE - 2 to BOARD'S REPORT

Sl.No	Category of Shareholders	No.of Shares held at the beginning of the year 01.04.2014				No.of Shares held at the end of the year 31.03.2015				% 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	56960	691	57651	3.22	77656	691	78347	4.37	1.15
b)	Individuals									
i)	Individual Shareholders holding nominal shares capital up to Rs. 1 lakh	342219	70390	412609	23.01	379197	66605	445802	24.87	1.86
ii)	Individual shareholders holding nominal shares capital in excess of Rs.1 lakh	331314	-	331314	18.48	279028	-	279028	15.56	-2.92



ANNEXURE - 2 to BOARD'S REPORT

Sl.No	Category of Shareholders	No.of Shares held at the beginning of the year 01.04.2014				No.of Shares held at the end of the year 31.03.2015				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c)	Others (Specify)									
	Non - Resident Indian	908	200	1108	0.06	1186	200	1386	0.08	0.02
	Hindu undivided Family	20790	-	20790	1.16	17262	-	17262	0.96	-0.20
	Clearing Members	165	0	165	0.01	212	0	212	0.01	0.00
	Trust	-	-	-	-	-	100	100	0.01	0.01
	Sub-Total(B)(2)	752356	71281	823637	45.94	754541	67596	822137	45.86	-0.08
	Total Public Shareholding (B) = (B) (1) + (B) (2)	991456	71281	1062737	59.28	993641	67596	1061237	59.20	-0.08
C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND -TOTAL (A) + (B) + (C)	1721487	71281	1792768	100	1725172	67596	1792768	100	0.00

ANNEXURE - 2 to BOARD'S REPORT

ii) Shareholding of Promoters

Sl.No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Shareholding at the end of the year 31.03.2015			% 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	15655	0.8732	-	17155	0.9569	-	0.0837
7.	N. Gopalratnam	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.	T. R. Sivaraman	870	0.0485	-	870	0.0485	-	0.00
11.	D. Jayaraman	200	0.0111	-	200	0.0111	-	0.00
12.	G. A. Pathanjali	100	0.0055	-	100	0.0055	-	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 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
		No.of Shares	% of total shares of the company	No.of Shares	% of total shares of the company
1	Dhanashree Investments Pvt.Ltd				
	At the beginning of the year 01-Apr-2014	15655	0.8732	15655	0.8732
	Purchase 11-Jul-2014	1500	0.0836	17155	0.9569
	At the end of the year 31-Mar-2015	17155	0.9569	17155	0.9569

There is no change in shareholding during the period in the case of other Promoters

IV. Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
		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-2014	239000	13.3313	239000	13.3313
	At the end of the year 31-Mar-2015	239000	13.3313	239000	13.3313
2	C Srikanth				
	At the beginning of the year 01-Apr-2014	49754	2.7752	49754	2.7752
	At the end of the year 31-Mar-2015	49754	2.7752	49754	2.7752

ANNEXURE - 2 to BOARD'S REPORT

Sl No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
3	Balram Bharwani				
	JT1 : Poonam Bharwani				
	At the beginning of the year 01-Apr-2014	37951	2.1168	37951	2.1168
	Purchase 04-Apr-2014	65	0.0036	38016	2.1205
	Purchase 11-Apr-2014	1	0.0000	38017	2.1205
	Purchase 23-May-2014	33	0.0018	38050	2.1224
	Purchase 30-May-2014	75	0.0041	38125	2.1265
	Purchase 13-Jun-2014	12	0.0006	38137	2.1272
	Purchase 17-Jun-2014	2	0.0001	38139	2.1273
	Purchase 04-Jul-2014	4	0.0002	38143	2.1276
	Purchase 11-Jul-2014	10	0.0005	38153	2.1281
	Purchase 17-Jul-2014	2	0.0001	38155	2.1282
	Purchase 01-Aug-2014	6	0.0003	38161	2.1286
	Purchase 08-Aug-2014	43	0.0023	38204	2.1310
	Purchase 14-Aug-2014	2	0.0001	38206	2.1311
	Purchase 20-Aug-2014	217	0.0121	38423	2.1432
	Purchase 22-Aug-2014	152	0.0084	38575	2.1517
	Purchase 29-Aug-2014	352	0.0196	38927	2.1713
	Purchase 05-Sep-2014	217	0.0121	39144	2.1834
	Purchase 12-Sep-2014	156	0.0087	39300	2.1921
	Purchase 19-Sep-2014	16	0.0008	39316	2.1930
	Purchase 30-Sep-2014	184	0.0102	39500	2.2032
	Purchase 31-Oct-2014	663	0.0369	40163	2.2402
	Purchase 07-Nov-2014	650	0.0362	40813	2.2765
	Purchase 14-Nov-2014	87	0.0048	40900	2.2813
	Purchase 21-Nov-2014	122	0.0068	41022	2.2881
	Purchase 28-Nov-2014	432	0.0240	41454	2.3122
	Purchase 05-Dec-2014	46	0.0025	41500	2.3148
	Purchase 13-Feb-2015	200	0.0111	41700	2.3260
	Purchase 27-Feb-2015	100	0.0055	41800	2.3315
	Purchase 20-Mar-2015	200	0.0111	42000	2.3427
	At the end of the year 31-Mar-2015	42000	2.3427	42000	2.3427
4	Sathyamoorthi Devarajulu				
	At the beginning of the year 01-Apr-2014	33590	1.8736	33590	1.8736
	Sale 21-Nov-2014	-1657	0.0924	31933	1.7812
	Sale 28-Nov-2014	-601	0.0335	31332	1.7476
	At the end of the year 31-Mar-2015	31332	1.7476	31332	1.7476



ANNEXURE - 2 to BOARD'S REPORT

Sl No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
		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-2014 At the end of the year 31-Mar-2015	29048 29048	1.6202 1.6202	29048 29048	1.6202 1.6202
6	Far and Wide Marketing Pvt. Limited At the beginning of the year 01-Apr-2014 At the end of the year 31-Mar-2015	25000 25000	1.3944 1.3944	25000 25000	1.3944 1.3944
7	Dr Ramesh Chimanlal Shah At the beginning of the year 01-Apr-2014 Sale 25-Apr-2014 At the end of the year 31-Mar-2015	19914 -19914 -	1.1107 1.1107 -	19914 - -	1.1107 - -
8	Samata Bhavin Shroff JT1 : Bhavin Hemant Shroff At the beginning of the year 01-Apr-2014 Sale 21-Nov-2014 Sale 05-Dec-2014 Sale 12-Dec-2014 Sale 31-Dec-2014 At the end of the year 31-Mar-2015	16752 -3378 -8369 -2500 -2505 -	0.9344 0.1884 0.4668 0.1394 0.1397 -	16752 13374 5005 2505 - -	0.9344 0.7459 0.2791 0.1397 - -
9	Govindbhai Baldev Desai JT1 : Bhavna Govindbhai Desai At the beginning of the year 01-Apr-2014 At the end of the year 31-Mar-2015	16000 16000	0.8924 0.8924	16000 16000	0.8924 0.8924
10	Hemant Hasmukhlal Shroff JT1 : Bhavin Hemant Shroff JT2 : Hirlal Hemantkumar Shroff At the beginning of the year 01-Apr-2014 Sale 12-Sep-2014 At the end of the year 31-Mar-2015	15430 -15430 -	0.8606 0.8606 -	15430 - -	0.8606 - -

ANNEXURE - 2 to BOARD'S REPORT

v. Shareholding of Directors and Key Managerial Personnel

Sl No	For each of the Directors and KMP	Shareholding at the beginning of the year 01.04.2014		Cumulative Shareholding during the year 31.03.2015	
		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 At the end of the year	10200 10200	0.568952 0.568952	10200 10200	0.568952 0.568952
2	A L SOMAYAJI At the beginning of the year At the end of the year	3866 3866	0.215644 0.215644	3866 3866	0.215644 0.215644
3	R VAIDYANATHAN At the beginning of the year At the end of the year	2500 2500	0.139449 0.139449	2500 2500	0.139449 0.139449
4	T R SIVARAMAN At the beginning of the year At the end of the year	870 870	0.048528 0.048528	870 870	0.048528 0.048528
5	G A PATHANJALI At the beginning of the year At the end of the year	100 100	0.005577 0.005577	100 100	0.005577 0.005577
6	S V RAJU At the beginning of the year At the end of the year	100 100	0.005577 0.005577	100 100	0.005577 0.005577



ANNEXURE - 2 to BOARD'S REPORT

V. Indebtedness

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

	Secured Loans excluding Deposits	Unsecured Lons	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3658.91	-	-	3658.91
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3658.91	-	-	3658.91
Change in indebtedness during the financial year				
- Addition	-	70.00	-	70.00
- Reduction	10.62	-	-	10.62
Net Change	10.62	70.00	-	59.38
Indebtedness at the end of the financial year				
i) Principal Amount	3648.29	70.00	-	3718.29
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.34	-	-	2.34
Total (i+ii+iii)	3650.63	70.00	-	3720.63

ANNEXURE - 2 to BOARD'S REPORT

VI. 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	Mr. T. R. Sivaraman	
1.	Gross Salary			
	(a) Salary as per provisions contained 17(1) of the Income Tax Act, 1961	16.32	13.44	29.76
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	2.64	2.20	4.84
	(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 - Special Allowance	7.20	6.00	13.20
5.	Others - Retiral benefits	3.89	3.24	7.13
	Total	30.05	24.88	54.93
	Ceiling as per the Act	42.00	42.00	84.00



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. Somayaji	Cmde R. P. Prem Kumar	Mr. M. Natarajan	RAdm S. Mohapatra	Mrs. T. V. Rajalakshmi	
1.		Independent Directors					
	Fee for attending Board Committee Meetings	54000	54000	15000	15000	30000	168000
	- Commission	-	-	-	-	-	-
	- Others	-	-	-	-	-	-
	Please Specify						
	Total (1)	54000	54000	15000	15000	30000	168000
2.		Other Non Executive Directors					
		Mr. N. Gopalaratnam	Mr. R. Vaidyanathan	Mr. Raj Kumar			Total Amount (in ₹)
	Fee for attending Board Committee Meetings	47000	37000	44000			128000
	- Commission	-	-	-			-
	- Others	-	-	-			-
	Please Specify						
	Total (2)	47000	37000	44000			128000
	Total (B) (1+2)						296000
	Overall ceiling as per the Act						*

* Minimum Remuneration for Managing Director & Director (Finance)
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 ₹)
		Company Secretary	
1.	Gross Salary		
	(a) Salary as per provisions contained 17(1) of the Income Tax Act, 1961	1.80	1.80
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	2.10	2.10
	(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	3.90	3.90

VII. 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
Compoundng	NIL	NIL	NIL	NIL	NIL
B. Directors					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compoundng	NIL	NIL	NIL	NIL	NIL
C. Other Officers in Default					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compoundng	NIL	NIL	NIL	NIL	NIL

(For the Board of Directors)

Chennai 600 034
May 30, 2015

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

The Company is not in the list of industries specified in the Schedule.

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 & Valve Regulated Lead Acid Batteries.
- 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 31.03.2015	As At 31.03.2014
Capital	-	12.23
Recurring	62.14	80.18
Total	62.14	92.41

5. Technology Absorption and Adoption

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

6. Foreign Exchange Earnings and Outgo

₹ in Lakhs

	As At 31.03.2015	As At 31.03.2014
Earnings	81.79	120.85
Outgo	202.43	376.48

(For the Board of Directors)

N. GOPALARATNAM
Chairman

Chennai 600 034
May 30, 2015

ANNEXURE - 4 to BOARD'S REPORT

Disclosure under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

A. 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) Director (Finance) (DF)	8:1 7:1	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 DF Company Secretary	NIL NIL NIL	Note 2
3.	The percentage increase in the median remuneration of employees in the financial year		7%	
4.	The number of permanent employees on the rolls of company		155	
5.	The explanation on the relationship between average increase in remuneration and company performance	Salary Increase Company performance Decrease in loss before tax	5% 56%	Note 3
6.	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company	KMP increase Company performance Decrease in loss before tax	NIL 56%	Note 3
7.	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	31/03/15 31/03/14 Market capitalization (Rs crores) PE ratio (%) Increase in market quote (%) %at BSE	27 17 Negative 1520% 960%	Note 4
8.	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	28 60	Note 5



ANNEXURE - 4 to BOARD'S REPORT

Sl.No	Description	
9.	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	<div>MD</div> <div>DF</div> <div>Company Secretary</div> <div>NIL</div> <div>NIL</div> <div>NIL</div>
10.	The key parameters for any variable component of remuneration availed by the directors	<div>MD</div> <div>In the event of loss or inadequacy of profits in a year, Managing Director will be paid a special allowance of ₹7.20 Lakhs per year in addition to salary and perquisites</div> <div>DF</div> <div>In the event of loss or inadequacy of profits in a year, Director (Finance) will be paid a special allowance of ₹6.00 Lakhs per year in addition to salary and perquisites.</div>
11.	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	NIL
12.	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:

- All other directors were paid only sitting fee for attending the meetings of the Board and Committees thereof.
- Revision is done once in three years for MD and DF.
- The Company has suffered increased operating losses during the year and lower loss after tax is due to the impact of exceptional items. The operating losses are entirely attributable to macro economic factors beyond the control of KMPs and other employees. Hence, remuneration levels and periodic increases have no direct correlation to the Company performance but are determined in the normal course of business and in line with industry norms.
- The face value of the shares is ₹10/- each.
- MD and DF remuneration are revised only once in 3 years and MD and DF are appointed in the FY 2014-15.

ANNEXURE - 4 to BOARD'S REPORT

B. Statement of particulars of employees as per Rule 5(2) & (3)

Sl.No	Description	Particulars
1	Name & Designation of the employee	Dr. G. A. Pathanjali, Managing Director Mr. T. R. Sivaraman, Director (Finance)
2	Remuneration received	MD : ₹ 30.05 Lakhs DF : ₹ 24.88 Lakhs
3	Nature of employment	Regular
4	Qualification & Experience	MD - M.Tech, Ph.D - 32 Years Varied experience in Management of Projects, R&D, Operations and General Management in the Battery Industry. DF - B.Com., FCA, ACMA - 31 Years Varied experience in Accounts, Finance, Taxation, HR and Marketing Functional areas.
5	Date of commencement of employment	MD - 22/08/1983 DF - 05/06/1984
6	Age of such employee	MD - 56 years DF - 56 years
7	Last employment	MD - Joined in the Company as Engineer (R&D) in 1983. DF - Joined in the Company as Assistant Accounts Officer in 1984.
8	% of Equity shares held	MD - 0.01% DF - 0.05%
9	Relationship with any director	Not a relative of any Director of the Company.

Note : Gross remuneration includes salary, incentive, perquisites and Company's contribution to retirement benefits.

(For the Board of Directors)

Chennai 600 034
May 30, 2015

N. GOPALARATNAM
Chairman

ANNEXURE - 5 to BOARD'S REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2015

[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, P.B. No. 5068,
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 2015 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 2015, 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, 1992;
 - (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;

We have also examined compliance with the applicable clauses of the 'The Listing Agreement entered into by the Company with BSE Limited.

During the period under review the Company has complied with the provisions of the Act,

ANNEXURE - 5 to BOARD'S REPORT

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 : TIRUCHIRAPALLI
Date : 17.05.2015

M/s. R. SUBRAMANIAN AND COMPANY
Chartered Accountants

**INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31ST MARCH 2015**

To the Members of HIGH ENERGY BATTERIES (INDIA) LIMITED

REPORT ON FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **HIGH ENERGY BATTERIES (INDIA) LTD** which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR
THE 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) rules 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the

preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on 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 there under.

We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate

internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2015;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date and
- c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

EMPHASIS OF MATTER:

We draw attention to:

- ◆ Note No : 28 regarding recognition of Deferred Tax Asset (Net) of ₹ 427.78 Lakhs and Minimum Alternate Tax (MAT) credit of ₹ 31.68 Lakhs. The Management is of the view that the company will have

adequate taxable income in the future and there exists virtual certainty for taking benefit of Deferred Tax Asset and MAT credit.

- ◆ Note No 33 regarding recognition of Profit on of sale of certain lands pursuant to execution of sale agreement, physical possession handed over to the buyer and receipt of substantial portion of the sale consideration. The execution and registration of sale deed has since been completed.

Our opinion is not qualified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1 As required by the Companies (Auditor's Report) Order 2015, ('the Order') issued by the Central Government of India in terms of Sub section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2 As required by section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (d) in our opinion, the aforesaid financial statements comply with the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of written representations received from the directors as on 31st March 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the other matters to be included in the Auditors report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014, in our opinion and to the best of our information and according to the explanations given to us.
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements in Note No. 20.
- (ii) The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection fund by the Company.

For **M/s. R. SUBRAMANIAN AND COMPANY**
Chartered Accountants
ICAI Regd. No. 004137S

A. GANESAN
Partner
Membership No. 21438

Chennai
May 30, 2015

Annexure referred to in Paragraph 1 under the heading “Report on other legal and regulatory requirements “of our Report of even date to the members of HIGH ENERGY BATTERIES (INDIA) LIMITED on the accounts of the company for the year ended 31st March 2015

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) As explained to us, these fixed assets have been physically verified by the management at reasonable intervals; as informed to us no material discrepancies were noticed on such verification;
- (ii) (a) Inventories have been physically verified by the Management at reasonable intervals. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records have been properly dealt with in the books of accounts and were not material.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weaknesses in internal controls have been noticed or reported.
- (v) The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013
- (vi) On the basis of records produced to us, we are of the opinion that, prima facie, the cost records prescribed by the Central Government under sub-section (1) of Section 148 of the Act have been made and maintained. However, we are not required to and have not carried out any detailed examination of such records.
- (vii) (a) According to the information and explanations given to us and based on the records of the company examined by us, the company has generally been regular in depositing undisputed statutory dues of Income Tax , Customs Duty and Excise Duty. The company has not been regular in depositing VAT , Service Tax , Central Sales tax , Profession Tax , Provident Fund and ESI dues . There has been a delay ranging from 1 to 180 days. The Company is not liable to pay wealth tax. As on 31st March 2015, Profession tax dues of ₹1,32,926 is outstanding for more than six months from the date it became payable.

(b) According to the information and explanations given to us and based on the records of the company examined by us, the dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty and Cess and other material statutory dues as on 31st March 2015 which have not been deposited on account of disputes are given below:

Name of the Statute	Tamilnadu VAT Act
Nature of Dues	VAT
Amount ₹ in Lakhs	₹84.65/-Lakhs (₹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

(c) The amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder has been transferred to such fund within time.

(viii) The company has accumulated losses as at 31st March 2015 and has also incurred cash losses in the current year as well as in the previous year. The accumulated losses as on 31st March 2015 is less than 50% of the Net worth of the company.

(ix) The company has defaulted in payment of dues to three banks aggregating to ₹ 140 Lakhs the delay ranging from 1 day to 60 days.

(x) The company has not given guarantees for loans taken by others from banks or financial institutions.

(xi) No term loans have been availed by the company during the year.

(xii) During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

For **M/s. R. SUBRAMANIAN AND COMPANY**
Chartered Accountants
ICAI Regd. No. 004137S

A. GANESAN
Partner
Membership No. 21438

Chennai
May 30, 2015

BALANCE SHEET AS AT 31st MARCH, 2015			
	Note No.	AS AT 31-03-2015	AS AT 31-03-2014
I Equity and Liabilities (₹ in Lakhs)			
1 Shareholders' Funds			
a) Share Capital	2	179.28	179.28
b) Reserves and Surplus	3	735.75	1033.46
2 Non Current Liabilities			
a) Long Term Borrowings	4	1.19	85.43
b) Other Long Term Liabilities	5	343.34	831.12
c) Long Term Provisions	6	33.90	39.24
3 Current Liabilities			
a) Short Term Borrowings	7	3718.29	3658.91
b) Trade Payables	8	866.06	989.54
c) Other Current Liabilities	9	1002.06	772.82
d) Short Term Provisions	10	18.54	23.05
Total		6898.41	7612.85
II Assets			
1 Non Current Assets			
a) Fixed Assets - Tangible Assets	11	1655.12	1842.51
b) Non Current Investments	12	60.33	60.33
c) Long Term Loans and Advances	13	36.87	34.32
d) Deferred Tax Asset (Net)	14	427.78	271.12
2 Current Assets			
a) Inventories	15	2570.35	3204.01
b) Trade Receivables	16	1040.52	1558.13
c) Cash and Bank Balances	17	602.28	209.50
d) Short Term Loans and Advances	18	445.16	363.14
e) Other Current Assets	19	60.00	69.79
Total		6898.41	7612.85
Notes to Financial Statements 1 to 43			
G.A. PATHANJALI Managing Director	N. GOPALARATNAM R. VAIDYANATHAN A.L. SOMAYAJI	S.V. RAJU Secretary	Vide our Report of even date attached For M/s. R. SUBRAMANIAN AND COMPANY Chartered Accountants ICAI Registration No. 0041375
T.R. SIVARAMAN Director - Finance & CFO	CMDE R. P. PREM KUMAR, VSM (Retd.) RAdm. S. MOHAPATRA T. V. RAJALAKSHMI		A. GANESAN Partner Membership No.021438
Chennai May 30, 2015	Directors		



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2015

	Note No.	YEAR ENDED 31-03-2015	YEAR ENDED 31-03-2014
Revenue from Operations		(₹ in Lakhs)	
Revenue from sale of Batteries & Testing Services (Gross)	21	3321.29	3215.03
Less : Excise duty		92.99	160.76
Revenue from sale of Batteries & Testing Services (Net)		3228.30	3054.27
Other Operating Revenue - Sale of Scrap		32.89	12.74
Other Income	22	20.69	97.76
Total Revenue		3281.88	3164.77
Expenses			
Cost of materials and Components consumed	23	1660.41	2077.83
Purchase of Stock-in-trade		77.22	163.85
Changes in Inventories	24	335.69	(447.20)
Employee Benefits Expense	25	678.56	707.07
Other Expenses	26	828.36	908.11
Finance Cost	27	616.91	582.39
Depreciation (Note No 32)	11	153.69	150.49
Total Expenses		4350.84	4142.54
Profit / (Loss) Before Tax and Exceptional Items		(1068.96)	(977.77)
Exceptional Item - Profit on Sale of Land (Note No 33)		639.69	-
Profit / (Loss) Before Tax and after Exceptional Items		(429.27)	(977.77)
Tax Expenses			
Current Tax		--	--
Deferred Tax Liability / (Asset)		(148.13)	(355.23)
Total Tax Expenses		(148.13)	(355.23)
Profit / (Loss) After Tax and after Exceptional Items		(281.14)	(622.54)
Earning per Share			
Basic and Diluted Earning per share of ₹ 10/- each		(15.68)	(34.73)
Notes to Financial Statements 1 to 43			
G.A. PATHANJALI Managing Director	N. GOPALARATNAM R. VAIDYANATHAN A.L. SOMAYAJI	S.V. RAJU Secretary	Vide our Report of even date attached For M/s. R. SUBRAMANIAN AND COMPANY Chartered Accountants ICAI Registration No. 0041375
T.R. SIVARAMAN Director - Finance & CFO	CMDE R. P. PREM KUMAR, VSM (Retd.) RAdm. S. MOHAPATRA T. V. RAJALAKSHMI		A. GANESAN Partner Membership No.021438
Chennai May 30, 2015	Directors		

Notes on Financial Statements for the Year ended 31st March, 2015

1. Notes forming part of the Balance Sheet as at 31st March 2015 and the Statement of Profit and Loss for the year ended 31st March 2015.

SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Concepts

The accounts are prepared under historical cost convention in accordance with generally accepted accounting principles and applicable Accounting Standards.

b) Use of Estimates

Estimates and assumptions made by Management in the preparation of Financial Statements have a bearing on reported amounts of Financial Results, Assets & Liabilities and the disclosure of Contingent Liabilities. Actual results could differ from those estimates. Any revision to accounting estimate is recognized prospectively.

c) Revenue Recognition

Revenue is recognized and expenditure is accounted for on their accrual. Excise duty recovery from customer is deducted from Gross Turnover. Excise duty differential between closing and opening stock of excisable goods is included under other expenses.

Revenue from domestic sale is recognized on delivery to the carrier, when risk and rewards of ownership pass on to the customers.

Revenue from export sales is recognized when risk and rewards are passed on to the customers in accordance with the terms of the contract.

Dividend income is recognized when the right to receive payment is established.

Other items of income are recognized when there is no significant uncertainty as to measurability or collectability.

d) Fixed Assets

Fixed Assets are stated at cost less depreciation. Cost includes, taxes and duties (but does not include taxes and duties for which CENVAT / VAT credit is available), freight and other direct or allocated expenses and interest and finance charges on related borrowings during construction period.

Any income earned during construction period is netted against cost of the Project.

e) Depreciation

Depreciation on Tangible Fixed Assets (other than Plant & Machinery relating to Lead Acid Battery Division) is provided under Straight Line Method in accordance with Schedule II to the Companies Act, 2013, adopting the useful life for assets as specified therein and reckoning the residual value at 5% of the original cost of the asset.

In respect of Plant & Machinery relating to Lead Acid Battery Division, the useful life of the asset has been determined based on the technical evaluation and accordingly depreciation has been provided.



Notes on Financial Statements for the Year ended 31st March, 2015

f) Inventories

Inventories are stated at lower of cost and net realisable value. Cost includes all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition net off CENVAT/VAT credit entitlement. The cost is arrived on weighted average basis. Tools cost is written off over a period of three years.

g) Investment

Long term investments are stated at cost. Any diminution in the value of long term investments is charged to Profit and Loss Account, if such a decline is other than temporary in the opinion of the Management.

h) Research and Development Expenditure

Expenditure incurred on Scientific Research, other than Capital Expenditure, are written off to revenue in the year in which they are incurred. Capital Expenditure is added to the Cost of Fixed Assets and depreciated accordingly.

i) Employee Benefits

Short term Employee benefits are charged at the undiscounted amount to Profit and Loss account in the year in which related service is rendered.

Contributions to defined contribution schemes towards retirement benefits in the form of provident fund and superannuation fund for the year are charged to profit and loss account as incurred.

Liabilities in respect of defined benefit plans are determined based on actuarial valuation made by an independent actuary. Actuarial gains or losses are recognized immediately in the profit and loss account. Obligation for leave encashment is recognized in the same manner.

Other terminal benefits are recognised as an expense as and when incurred.

j) Provision, Contingent Liabilities and Contingent Assets

Provisions are recognised when there is a present obligation as a result of a past event it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Contingent Liabilities are disclosed, unless the possibility of any outflow in settlement is remote, in the notes on Accounts. Contingent assets are neither recognised nor disclosed.

k) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961. Deferred Tax is recognised, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses.

l) Foreign Exchange Transactions

Transactions in foreign exchange are initially recognised at the rates prevailing on the dates of transactions.

Notes on Financial Statements for the Year ended 31st March, 2015

Premium or discount arising at the inception of forward contract is amortised as income or expense over the life of the contract. Exchange difference on such contract is recognised in the reporting period in which exchange rates change.

Foreign Currency Liabilities/ assets at the close of the year are restated, adopting the contracted/year-end rates, as applicable. Resultant exchange difference is recognised as income or expense in that period.

m) Insurance Claims

Insurance claims are accounted on the basis of claims lodged and accepted.

n) Borrowing Costs

Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

o) Impairment of Assets

Impairment loss, if any, is provided to the extent the carrying amount of assets exceed their recoverable amount.

p) Earnings per share

Earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

q) Segment Reporting

The accounting policies adopted for segment reporting are in line with the accounting policies of the company.

Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under "unallocable".

There are no inter segment revenue and therefore their basis of measurement does not arise.

r) Derivatives

The Company enters into Futures Contracts in Silver to hedge the price risk consistent with its Risk Management Policy. The Company does not use these contracts for speculative purpose.

Losses in respect of the Futures Contracts as at the Balance Sheet date are charged to Statement of Profit and Loss by marking them to market, while gains are ignored.

s) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating lease. Operating Lease payments are recognized as an expense in the revenue account as per the lease terms.



Notes on Financial Statements for the Year ended 31st March, 2015

	AS AT 31-03-2015	AS AT 31-03-2014
	(₹ in Lakhs)	
2 Authorised Capital		
7500000 (31.03.2014 - 7500000) equity shares of ₹ 10/- each	750.00	750.00
Issued, Subscribed and Fully paid up shares		
1792768 (31.03.2014 - 1792768) equity shares of ₹ 10/- each	179.28	179.28
Total of Issued, Subscribed and Fully paid up shares	179.28	179.28
a Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period		
	AS AT 31-03-2015	AS AT 31-03-2014
	Nos (₹ in Lakhs)	Nos (₹ in Lakhs)
At the Beginning of the year	1792768 179.28	1792768 179.28
Issued During the year	-- --	-- --
Outstanding at the end of the year	1792768 179.28	1792768 179.28
b Details of Shareholders holding more than 5% of shares		
	AS AT 31-03-2015	AS AT 31-03-2014
Name of Shareholder	Number of Shares Percentage holding	Number of Shares Percentage holding
Seshasayee Paper and Boards Limited	282911 15.78	282911 15.78
Life Insurance Corporation of India	239000 13.33	239000 13.33
Time Square Investments (P) Limited	165463 9.23	165463 9.23
Ponni Sugars (Erode) Limited	100000 5.58	100000 5.58

Notes on Financial Statements for the Year ended 31st March, 2015

	AS AT 31-03-2015	AS AT 31-03-2014
3 Reserves and Surplus (₹ in Lakhs)		
a Capital Redemption Reserve		
Balance as per last Balance Sheet	3.00	3.00
b Securities Premium Account		
Balance as per last Balance Sheet	783.34	783.34
c General Reserve		
Balance as per last Balance Sheet	848.00	848.00
d Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per last Balance Sheet	(600.88)	21.66
Add : Surplus / (Deficit) for the year	(281.14)	(622.54)
Less: Depreciation (Net of Deferred Tax)	(16.57)	-
(Refer Note No. 32)	<u>(898.59)</u>	<u>(600.88)</u>
Net Surplus / (Deficit) in the Statement of Profit and Loss	(898.59)	(600.88)
Total	735.75	1033.46
4 Long Term Borrowings		
Term Loan From Banks - Secured		
Rupee Loan	-	83.04
Car Loan	1.19	2.39
Total	1.19	85.43
Rupee Term Loan from Banks including current maturities (Vide Note No 9) are secured by Paripassu First charge on movable and immovable fixed assets of the Lead Acid Battery Facility and Paripassu Second charge on all other existing movable and immovable fixed assets of the Company.		
Car loan is secured by the hypothecation of the vehicle financed.		
Rupee Term Loan is repayable as detailed below :		
CANARA BANK :		
Term Loan 1	20 Quarterly Instalments of ₹ 12.50 Lakhs each @ 12.70% p.a. commencing from 31 st Mar 2011.	
Term Loan 2	20 Quarterly Instalments of ₹ 1.25 Lakhs each @ 13.45% p.a. commencing from 31 st May 2011.	



Notes on Financial Statements for the Year ended 31st March, 2015

AS AT
31-03-2015

AS AT
31-03-2014

(₹ in Lakhs)

UCO BANK :

- Term loan 1 5 Annual Instalments of ₹ 100 Lakhs each @ 13.50% p.a. commencing from 31st March 2011.
- Term Loan 2 1st Annual instalment of ₹ 5 Lakhs (commencing from 31st May 2011). 2nd 3rd & 4th Instalments of ₹ 10 Lakhs each and 5th and Final instalment of ₹ 15 lakhs @ 13.50% p.a.

INDIAN BANK :

- Term Loan 1 20 Quarterly Instalments of ₹ 12.50 Lakhs each @ 13.70% p.a. commencing from 31st Jan 2011.
- Term Loan 2 20 Quarterly Instalments of ₹ 1.25 Lakhs each @ 13.75% p.a. commencing from 31st Mar 2011.

5 Other Long Term Liabilities

Advances from Customers	343.34	831.12
Total	343.34	831.12

Advances represents amount to be adjusted from invoices after one year based on delivery period as stipulated in the contract with customers.

6 Long Term Provisions

Provision for Warranty (vide Note No 31)	8.68	11.31
Provision for Leave Benefits	25.22	27.93
Total	33.90	39.24

7 Short Term Borrowings

Secured Loans

Cash Credit Loan	3062.77	2913.90
Bills Purchased	585.52	745.01
Total (A)	3648.29	3658.91

Unsecured Loans

Other Loans and Advances from Companies	70.00	-
Total (B)	70.00	-
Total (A + B)	3718.29	3658.91

Notes on Financial Statements for the Year ended 31st March, 2015

AS AT 31-03-2015 AS AT 31-03-2014

(₹ in Lakhs)

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 movable assets of the company.
- Paripassu first charge on all immovable fixed assets of the company excepting those pertaining to Lead Acid Battery Facility.
- Paripassu second charge on all movable and immovable fixed assets of the Lead Acid Battery Facility.
- Lien on Fixed Deposits (including interest) aggregating to ₹ 64.65 Lakhs.

8 Trade Payables

Micro and Small Enterprises	--	--
Goods	625.23	822.19
Services	240.83	167.35
Total	866.06	989.54

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 over dues to such parties.

9 Other Current Liabilities

Current Maturities of Long Term Borrowings *	222.80	242.52
Interest accrued and Due	2.34	-
Advance received from customers	602.49	438.65
Unpaid Dividends **	2.56	3.32
Sales Tax	118.09	71.90
Professional Tax	2.74	-
Tax Deducted at Source	2.73	3.93
Others	48.31	12.50
Total	1002.06	772.82

* Includes overdue instalment due on March 2015 amounting to ₹ 140.00 Lakhs

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

10 Short Term Provisions

Provision for Employee Benefits - Gratuity	6.83	-
Provision for Leave Benefits	1.70	2.47
Provision for Warranty (vide Note No 31)	1.06	1.54
Provision for Excise Duty on Finished Goods	8.95	19.04
Total	18.54	23.05



Notes on Financial Statements for the Year ended 31st March, 2015										
11 FIXED ASSETS - Tangible Assets										
Description	Cost as on 01-Apr-14	Gross Block			Depreciation				Net Block	
		Additions	Deductions	Cost as on 31-Mar-15	Upto 31-Mar-14	For the Year	Withdrawn	Upto 31-Mar-15	As at 31-Mar-15	As at 31-Mar-14
Land	34.76	—	10.31	24.45	—	—	—	—	24.45	34.76
Building	873.56	—	—	873.56	475.20	51.05	—	526.25	347.31	398.36
Plant & Machinery	2403.59	4.77	39.11	2369.25	1060.13	110.33	36.03	1134.43	1234.82	1343.46
Electrical Installation	132.11	—	0.53	131.58	91.71	7.75	0.51	98.95	32.63	40.40
Office Equipment	151.55	0.09	1.22	150.42	131.87	8.77	1.17	139.47	10.95	19.68
Furniture & Library	23.56	—	—	23.56	22.05	0.27	—	22.32	1.24	1.51
Vehicles	18.99	—	—	18.99	14.65	0.62	—	15.27	3.72	4.34
TOTAL	3638.12	4.86	51.17	3591.81	1795.61	178.79*	37.71	1936.69	1655.12	1842.51
Previous Year	3600.08	39.20	1.16	3638.12	1645.12	150.49	—	1795.61	1842.51	1954.96

* It includes ₹ 25.10 Lakhs (as reduced by Deferred Tax of ₹ 8.53 Lakhs) being carrying value of assets, whose useful life is NIL, adjusted against Retained earnings.

Notes on Financial Statements for the Year ended 31st March, 2015

	AS AT 31-03-2015	AS AT 31-03-2014
	(₹ in Lakhs)	
12 Non Current Investments - Long Term		
Non Trade		
Investment in Equity Shares (Quoted)		
280382 (Previous year : 280232) Equity Shares of ₹ 10/- each in Ponni Sugars (Erode) Limited, fully paid up	54.34	54.34
10329 (Previous year : 10329) Equity Shares of ₹ 10/- each in Seshasayee Paper and Boards Limited, fully paid up	1.25	1.25
Investment in Equity Shares (Unquoted)		
45000 (Previous year : 45000) Equity Shares of ₹ 10/- each in SPB Projects and Consultancy Limited, fully paid up	4.51	4.51
1500 (Previous year : 1500) Equity Shares of ₹ 10/- each in GPC Technologies Limited, fully paid up	0.15	0.15
830 (Previous year : 830) Equity Shares of ₹ 10/- each in Esvin Advanced Technologies Limited, fully paid up	0.08	0.08
Total	60.33	60.33
Agreegate cost of Quoted investments	55.59	55.59
Market value of Quoted investments	382.75	293.82
Agreegate cost of unquoted Investments	4.74	4.74
13 Long Term Loans and Advances		
Unsecured and considered good		
Electricity Deposits	13.55	14.66
Telephone Deposits	0.46	0.45
Deposit - Others	9.22	5.12
Rental Deposit	13.64	14.09
Total	36.87	34.32



Notes on Financial Statements for the Year ended 31st March, 2015

	AS AT 31-03-2015	AS AT 31-03-2014
	(₹ in Lakhs)	
14 Deferred Tax Liabilities (Vide Note No.28)		
Deferred Tax Liabilities		
On account of Depreciation	313.84	300.23
Gross Deferred Tax Liability	313.84	300.23
Deferred Tax Assets		
43B Disallowances	23.92	12.07
Unabsorbed Losses and allowances under Income Tax Act 1961	717.70	559.28
Gross Deferred Tax Assets	741.62	571.35
Net Deferred Tax Liabilities / (Asset)	(427.78)	(271.12)
15 Inventories (Valued at lower of Cost and Net Realisable Value)		
Raw Materials and Components [Includes Materials in transit of ₹ 7.64 Lakhs (31.03.2014 - ₹ 8.00 Lakhs)]	1418.84	1710.86
Work in progress	815.93	597.69
Finished Goods (includes Stock in Trade of ₹ 9.87 Lakhs) (31.03.2014 - ₹ 44.79 Lakhs)	243.00	796.93
Stores and Spares	78.71	79.17
Loose Tools	13.87	19.36
Total	2570.35	3204.01
Details of Finished Goods		
Aerospace, Naval and Power System Batteries	152.94	517.07
Aerospace Nickel Cadmium Batteries	59.13	149.76
Lead Acid Storage Batteries	30.93	130.10
Total	243.00	796.93
16 Trade Receivables		
Unsecured considered Good unless stated otherwise		
Unsecured, considered Good		
Exceeding six months	515.36	224.53
Other Debts	525.16	1333.60
Unsecured, considered doubtful		
Exceeding six months	23.17	1.06
	1063.69	1559.19
Less : Provision for doubtful debts	(23.17)	(1.06)
Total	1040.52	1558.13

Notes on Financial Statements for the Year ended 31st March, 2015

	AS AT 31-03-2015	AS AT 31-03-2014
	(₹ in Lakhs)	
17 Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with banks	26.26	144.15
Cheque on hand	500.00	-
Cash in hand	4.62	1.60
Other Bank Balances		
Deposits with Original maturity for more than 12 months *	64.65	60.43
Margin Deposit **	4.19	-
Unpaid Dividend Account	2.56	3.32
Total	602.28	209.50
* Deposits with banks are held as a security for the short term loans taken from various banks.		
** Represents margin towards Buyers Credit.		
18 Short Term Loans and Advances		
Unsecured Considered Good		
Advances to Suppliers and Services	172.14	252.99
Amount due towards sale of land	150.00	-
Advance Income Tax (Net of provision)	122.97	110.10
Balance with Central Excise, Customs, etc.	0.05	0.05
Total	445.16	363.14
19 Other Current Assets		
Unsecured Considered Good		
Cenvat / Service Tax / VAT receivable	28.32	38.11
MAT Credit entitlement	31.68	31.68
Total	60.00	69.79



Notes on Financial Statements for the Year ended 31st March, 2015

	YEAR ENDED 31-03-2015	YEAR ENDED 31-03-2014
	(₹ in Lakhs)	
20 Contingent Liabilities and Commitments		
Counter Guarantees and Commitments on Letters of Credit	971.03	894.53
Claims against the company not acknowledged as Debts	28.00	28.00
Estimated amount of contracts remaining to be executed on capital accounts not provided for	2.40	-
Tamil Nadu VAT under dispute	84.65	84.65
Claims from Customers under dispute	0.38	0.38
21 Revenue from Sale of Batteries & Testing Services		
Aerospace, Naval and Power System Batteries		
Silver Zinc Batteries and Cells	2240.64	2239.53
Nickel Cadmium Cells	421.38	142.34
Lead Acid Batteries**		
Lead Acid Batteries	659.27	833.16
Total	3321.29	3215.03
** Excludes Free / Test and Evaluation samples and includes imported batteries sold in domestic market net of sales return.		
22 Other Income		
Interest Income		
- Bank Deposits	4.78	3.87
- Others	1.24	1.40
Dividend Income - Long Term Investments	2.54	5.07
Profit on sale of Assets	11.09	69.34
Exchange Difference (Net)	-	7.93
Miscellaneous Income	1.04	0.07
Duty free Import Licence	-	10.08
Total	20.69	97.76

Notes on Financial Statements for the Year ended 31st March, 2015

	YEAR ENDED 31-03-2015	YEAR ENDED 31-03-2014
	(₹ in Lakhs)	
23 Cost of Materials and Components consumed		
Silver	409.02	607.71
Copper	11.40	6.69
Lead	335.12	248.69
Others	185.97	326.53
Components of various descriptions	718.90	888.21
Total	1660.41	2077.83
24 Change in Inventories		
Inventory at the end of the year		
- Work In Progress	815.93	597.69
- Finished Goods	233.13	752.14
- Stock in Trade	9.87	44.79
Total	1058.93	1394.62
Inventory at the beginning of the year		
- Work In Progress	597.69	565.11
- Finished Goods	752.14	281.03
- Stock in Trade	44.79	101.28
Total	1394.62	947.42
(Increase) / Decrease in Inventory	335.69	(447.20)
25 Employee Benefits		
Salaries, Wages and Bonus	563.73	596.33
Contribution to Provident and Other Funds	60.61	40.95
Staff Welfare Expenses	54.22	69.79
Total	678.56	707.07



Notes on Financial Statements for the Year ended 31st March, 2015

	YEAR ENDED 31-03-2015	YEAR ENDED 31-03-2014
	(₹ in Lakhs)	
26 Other Expenses		
Consumption of Stores and Spares	40.24	66.07
Power and Fuel	91.55	101.56
Repairs and Maintenance		
- Plant and Machinery	13.02	12.76
- Buildings	16.68	16.69
- Others	30.19	19.55
Selling Expenses	146.87	166.03
Expenditure on Scientific Research	62.14	80.18
Rent	25.50	20.24
Increase/(Decrease) in respect of		
Excise Duty on Finished Goods	(10.09)	5.49
Rates and Taxes	8.35	16.10
Insurance	21.44	19.97
Postage and Telephone	18.02	16.53
Travelling and Conveyance	149.25	167.83
Directors' Sitting fees	3.33	1.28
Payment to Auditors (*)	6.74	4.86
Professional and Legal Charges	58.59	72.02
Exchange Difference (Net)	9.88	-
Miscellaneous Expenses	112.83	118.66
Bank Charges - Others	1.72	1.23
Provision for Doubtful Debts	22.11	1.06
Total	828.36	908.11
(*) Payments to Auditors		
- Audit Fees	4.49	3.37
- Tax Audit	1.12	0.45
- Certification	1.13	1.04
	6.74	4.86
27 Finance Cost		
Interest on Borrowings	536.84	497.05
Other Borrowing Cost	80.07	85.34
Total	616.91	582.39

Notes on Financial Statements for the Year ended 31st March, 2015

28. Transfer to Deferred Tax is mainly on account of difference in charging depreciation prescribed under the Companies Act 1956, and allowable under the Income Tax Act, 1961 and on account of unabsorbed depreciation / business loss under Income Tax Act. Based on firm orders on hand and expected improvements in the performance of the company as a whole, in the view of the Management, the company will have adequate taxable income in future and there exists virtual certainty of the Deferred Tax Asset (DTA) getting realized.
29. Expenditure on Scientific Research includes salaries and allowances ₹ 61.12 Lakhs (Previous year ₹ 60.33 Lakhs) and materials ₹1.02 Lakhs (Previous year ₹ 19.85 Lakhs)
30. In terms of development contract with a customer, assets and development expenditure of the value of ₹ 191 Lakhs has been incurred and equivalent amount received from the customer is netted against the same. The company is holding these assets as a bailee in terms of the development contract.
31. Movement in estimated liability towards Warranty as per Accounting Standard 29 (AS 29)

	31.03.2015	31.03.2014
	<i>(₹ in Lakhs)</i>	
Provision at the beginning of the year	12.86	14.40
Withdrawal during the year	(-) 4.18	(-) 3.23
Addition during the year	(+) 1.06	(+) 1.69
Used during the year	--	--
	9.74	12.86

32. Hitherto, depreciation was provided as per rates/methods specified in Schedule XIV of the Companies Act, 1956.

The company has changed the method of providing depreciation from 1st April 2014 as required by the Companies Act, 2013. Accordingly the depreciation for the current year has been provided in accordance with useful life specified in Schedule II thereof in respect of all assets (other than Plant & Machinery relating to Lead Acid Battery Division). In respect of Plant & Machinery relating to Lead Acid Battery Division, depreciation is provided based on 20 years of useful life as assessed by a Chartered Engineer.

Due to the above change in the method, depreciation for the current year is higher by ₹11.28 Lakhs.

Further, in respect of assets whose useful life at the beginning of the year is NIL, their carrying value (₹16.57 Lakhs) net of deferred tax (₹ 8.53 Lakhs) as on 1st April 2014, after retaining the residual value, has been adjusted against retained earnings.

33. Profit on sale of land amounting to ₹ 639.69 Lakhs has been recognized pursuant to execution of sale agreement, possession handed over and receipt of significant portion of sale consideration. The execution and registration of sale deed has since been completed.

Notes on Financial Statements for the Year ended 31st March, 2015

34. Related Party disclosures, as required by Accounting Standard 18 (AS 18)

- (i) Name of the transacting Related Party:
- Seshasayee Paper and Boards Limited (SPB)
 - Esvi International (Engineers & Exporters) Limited
 - Dr. G. A. Pathanjali, Managing Director
 - Mr. T. R. Sivaraman, Director (Finance)
- (ii) A description of the relationship between the parties:
Presumption of Significant influence
- (iii) A description of the nature of the transactions and volume of the transaction, either as an amount or as an appropriate proportion:

S.No.	Name of the Party	Description of transactions and amount during the year			Amount Outstanding as on 31.03.2015
		Nature of Transaction	₹ in Lakhs		
			31.03.15	31.03.14	
1	Seshasayee Paper and Boards Ltd	Expenses Reimbursement Purchase of Paper Dividend Received	0.75 0.59 1.68	0.69 0.33 0.41	Assets : Investments in : 0.10 lakhs Equity Shares (0.09%) Liabilities : 2.83 Lakhs Equity Shares (15.78%) Payables : Nil
2	Esvi International (Engineers & Exporters) Limited	Rent Paid	5.04	5.03	Assets : Nil Liabilities : Nil Payables : Nil
3	Dr. G. A. Pathanjali Managing Director	Salaries and Perquisites paid	30.05	20.50	Payables : ₹8.85 Lakhs
4	Mr. T. R. Sivaraman Director (Finance)	Salaries and Perquisites paid	24.88	-	Payables : ₹7.37 Lakhs

35. The disclosures as required under Accounting Standard 17 (AS 17) "Segment Reporting"

- a. The company has considered business segment as the primary segments for disclosure. The business segments are Aerospace, Naval and Power System Batteries and Lead Acid Batteries. The above reportable segments have been identified based on the organisation structure as well as differing risks and returns associated with the segments.

Notes on Financial Statements for the Year ended 31st March, 2015

- b. Segmental expenses and revenue wherever could not be identified to a particular segment has been treated as unallocated expenses and revenue.
- c. Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and other liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as “unallocable”.

(₹ in Lakhs)

S.No.	Particulars	For the Year Ended 31st March 2015	For the Year Ended 31st March 2014
A)	Primary Segments		
1	Segment Revenue (Net of duties)		
	a) Aerospace, Naval and Power System Batteries	2627.92	2302.87
	b) Lead Acid Storage Batteries	600.38	751.40
	Net Sales / Income from Operations	3228.30	3054.27
2	Segment Results Profit / (Loss) Before Tax		
	a) Aerospace, Naval and Power System Batteries	145.82	328.77
	b) Lead Acid Storage Batteries	(597.87)	(724.15)
	Less : Unallocable expenditure net of unallocable income	(22.78)	582.39
	Profit / (Loss) Before Tax	(429.27)	(977.77)
3	Other Information		
	Segment Assets		
	a) Aerospace, Naval and Power System Batteries	3602.25	4513.85
	b) Lead Acid Storage Batteries	1760.43	2168.21
	c) Unallocable (Net)	1535.74	930.79
	Total (A)	6898.42	7612.85
	Segment Liabilities		
	a) Aerospace, Naval and Power System Batteries	2252.94	2144.50
	b) Lead Acid Storage Batteries	295.86	409.49
	c) Unallocable (Net)	3434.58	3846.12
	Total (B)	5983.38	6400.11
	Capital Employed (A) - (B)	915.04	1212.74
	Total Capital Expenditure incurred during the year	4.86	39.20
	Depreciation for the year (including residual depreciation in respect of assets whose useful life is 'NIL')	178.79	150.49
B)	Secondary Segments (Geographical)		
	Segment Revenue (Net of duties)		
	a) Export sales (including deemed export)	817.86	120.85
	b) Domestic sales	2410.44	2933.42
	Total	3228.30	3054.27



Notes on Financial Statements for the Year ended 31st March, 2015

36. Employee Benefits

i) Defined Contribution Plans

Contribution of ₹ 39.23 Lakhs to defined contribution plans is recognized as expense and included in Employee Benefits (Note No. 25) in the profit and loss account. (Previous year ₹ 33.09 Lakhs)

ii) Defined Benefit Plans

Disclosure for defined plans based on actuarial valuation as on 31.03.2015.

General Description		Post Employment Benefit		Long Term Compensated absence	
		Gratuity - Funded Plan - Non Contributory		Leave Encashment - Unfunded - Non Contributory	
		31.03.15	31.03.14	31.03.15	31.03.14
		₹ in Lakhs		₹ in Lakhs	
(i)	Change in Defined Benefit obligation				
	Present Value - Opening balance	144.55	145.47	30.40	26.37
	Current service cost	7.00	6.67	2.77	4.27
	Interest cost	12.73	12.42	2.51	1.93
	Past service cost	-	-	-	-
	Actuarial loss / (gain)	16.40	(2.01)	(3.08)	2.92
	Benefits paid	(9.32)	(18.00)	(5.69)	(5.09)
	Present Value - Closing balance	171.36	144.55	26.91	30.40
(ii)	Change in Fair Value of Plan Assets				
	Opening Balance	146.27	137.42	-	-
	Expected return on plan assets	13.03	11.89	-	-
	Actuarial gain/(loss)	(0.20)	0.17	-	-
	Contributions	14.75	14.79	5.69	5.09
	Benefits paid	(9.32)	(18.00)	(5.69)	(5.09)
	Closing balance	164.53	146.27	-	-
	Actual return	12.84	12.05	-	-
(iii)	Amount Recognised in the Balance Sheet				
	(as at year end)				
	Present value of the obligation	171.36	144.55	26.91	30.40
	Fair value of plan assets	164.53	146.27	-	-
	Net (asset) / liability recognised	6.83	(1.72)	26.91	30.40

Notes on Financial Statements for the Year ended 31st March, 2015

General Description	Post Employment Benefit		Long Term Compensated absence	
	Gratuity - Funded Plan - Non Contributory		Leave Encashment - Unfunded - Non Contributory	
	31.03.15	31.03.14	31.03.15	31.03.14
	₹ in Lakhs		₹ in Lakhs	
(iv) Expenses recognized in the profit and loss account				
Current service cost	7.00	6.67	2.77	4.27
Past service cost	-	-	-	-
Interest cost	12.73	12.42	2.51	1.93
Expected return on plan assets	(13.03)	(11.89)	-	-
Net actuarial (gain)/loss	16.59	(2.17)	(3.07)	2.92
Total included in 'Employee Cost' (Note 25)	23.29	5.03	2.21	9.12
(v) Asset Information	Insurance Policy 100%		-	
(vi) Principal actuarial assumptions	LIC (1994-96) Ultimate table		LIC (1994-96) Ultimate table	
Mortality				
Discount rate (%)	7.80	9.10	9.10	9.10
Future salary increase (%)	5.00	5.00	5.00	5.00
Rate of return of plan assets (%)	8.75	8.75	-	-
Expected average remaining working lives of employees (Years)	10.30	11.20	10.30	10.50
(vii) Expected Contribution (₹ in lakhs)	15.00	15.00	-	-
(viii)	The estimate of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as, supply and demand in the employment market.			

Amount for the current and previous four years are as follows:

₹ in Lakhs

Particulars	Gratuity					Leave Encashment				
	31.03.15	31.03.14	31.03.13	31.03.12	31.03.11	31.03.15	31.03.14	31.03.13	31.03.12	31.03.11
Defined Benefit Obligation	171.36	144.55	145.47	132.63	127.47	26.91	30.40	26.37	20.58	19.53
Plan Assets	164.53	146.27	137.42	121.21	104.87	-	-	-	-	-
Surplus / (Deficit)	(6.83)	1.72	(8.05)	(11.42)	(22.60)	(26.91)	(30.40)	(26.37)	(20.58)	(19.53)
Experience adjustments on Plan Liabilities	(2.24)	(7.36)	0.64	(3.05)	(7.20)	4.84	(4.71)	(2.95)	(0.41)	1.97
Experience adjustments on Plan Assets	(0.20)	0.17	(0.51)	(0.50)	(0.18)	-	-	-	-	-



Notes on Financial Statements for the Year ended 31st March, 2015

	31-03-2015	31-03-2014
	(₹ in Lakhs)	
37. Value of Imports on CIF Basis		
Raw materials and Components	187.24	347.51
Stores and Spares	0.42	1.31
Capital Goods	-	4.29
	187.66	353.11
38. Expenditure in Foreign Currency during the year		
Foreign Travel Expenditure	9.79	9.44
Consultancy Charges	4.98	13.93
	14.77	23.37
39. Earnings in Foreign Currency during the year		
Export of Goods on F.O.B basis	81.79	120.85
	81.79	120.85
40. Value of Imports / Indigenous Raw Materials / Components / Stores and spares consumed		
	31-03-2015	31-03-2014
	Value	Value
	%	%
	(₹ in Lakhs)	
Raw materials and Components :		
Imported - Landed Cost	227.99	14.00
Indigenous	1432.42	86.00
	1660.41	100.00
Stores, Spares and Tools :		
Imported - Landed Cost	1.08	3.00
Indigenous	39.16	97.00
	40.24	100.00
41. Basis for Calculation of Basic and Diluted Earnings per Share		
	2014-2015	2013-2014
Net Profit/(Loss) as per Profit and Loss Account ₹	(281 13 629)	(622 54 474)
Weighted Average Number of Equity Shares Nos.	17 92 768	17 92 768
Face Value ₹	10	10
Basic and Diluted Earnings per share ₹	(15.68)	(34.73)
42. Disclosure as per Accounting Standard 19 - Leases		
<u>Operating Lease:</u>		
The Company has taken Office and Godown premises on operating lease and no substantial risk and reward incidental to ownership of the assets has been obtained. All lease agreements are cancellable at the option of the company.		
43. Previous year figures have been regrouped and rearranged wherever necessary.		

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

Description	FOR THE YEAR ENDED 31-03-2015	FOR THE YEAR ENDED 31-03-2014
	(₹ in Lakhs)	
A. Cash Flow from Operating Activities		
Net Profit before tax and after exceptional items	(429.27)	(977.77)
Adjustments for :		
Depreciation	153.69	150.49
Finance Cost less Interest Received	610.89	577.12
(Profit)/Loss on Sale of Assets	(650.78)	(69.34)
Dividend from Non Trade Investments	(2.54)	(5.07)
	<u>111.26</u>	<u>653.20</u>
Operating Profit / (Loss) before Working Capital Changes	(318.01)	(324.57)
Adjustments for :		
Trade and other Receivables	442.82	(445.80)
Inventories	633.66	(402.18)
Trade and other Payables	(391.87)	1058.78
	<u>684.61</u>	<u>210.80</u>
Cash generated from Operation	<u>366.60</u>	<u>(113.77)</u>
Income tax paid / Refund	1.24	(19.66)
Net Cash from Operating Activities	367.84	(133.43)
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(4.86)	(39.20)
Dividend from Non Trade Investments	2.54	5.07
Interest Received	6.02	5.27
Sale of Fixed Assets	664.24	70.50
Net Cash from / (used) in Investing Activities	<u>667.94</u>	<u>41.64</u>



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015 (Continued)

Description	FOR THE YEAR ENDED 31-03-2015	FOR THE YEAR ENDED 31-03-2014
C. Cash Flow from Financing Activities		
	(₹ in Lakhs)	
Unsecured loan received	70.00	-
Repayment of Long Term Borrowings	(84.71)	(228.12)
Working Capital Loan	(10.62)	931.97
Finance Cost Paid	(616.91)	(582.39)
Dividend and Dividend Tax Paid	-	(21.38)
Net Cash from / (used) in Financing Activities	(642.24)	100.08
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	393.54	8.29
Cash and Cash Equivalents at the beginning	206.18	197.89
Cash and Cash Equivalents at the end *	599.72	206.18

* Includes Fixed Deposits with Banks aggregating to ₹ 68.84 Lakhs (Previous year ₹ 60.43 Lakhs) given as security margin for certain Borrowings from Banks / Foreign Letter of Credit.

G.A. PATHANJALI
Managing Director

T.R. SIVARAMAN
Director - Finance & CFO

Chennai
May 30, 2015

N. GOPALARATNAM
R. VAIDYANATHAN
A.L. SOMAYAJI
CMDE R. P. PREM KUMAR, VSM (Retd.)
RAdm. S. MOHAPATRA
T. V. RAJALAKSHMI
Directors

S.V. RAJU
Secretary

Vide our Report of even date attached
For **M/s. R. SUBRAMANIAN AND COMPANY**
Chartered Accountants
Firm Registration No. 0041375

A. GANESAN
Partner
Membership No.021438



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

1. _____ (Name of the Shareholders / Proxy) hereby record my presence at the 54th Annual General Meeting of the Company held on Saturday, the 25th July 2015 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 54th Annual General Meeting of the Company, to be held on Saturday, the 25th day of July 2015 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			
2	Reappointment of Mr. R. Vaidyanathan, who retires by rotation			
3	Ratification of Auditors Appointment			
4	Remuneration of Cost Auditor for FY 2015-16			

Signed this _____ day of _____ 2015

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.

2. 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.
3. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
4. 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.