

HIGH ENERGY BATTERIES (INDIA) LIMITED



Sixty Fifth Annual Report

2025-2026



BATTERY FOR ELECTRIC HEAVY WEIGHT TORPEDO



BATTERY FOR ADVANCED LIGHT WEIGHT TORPEDO

Directors

Mr. N. Gopalaratnam (Chairman) (DIN:00001945)
Dr. G. A. Pathanjali (Managing Director) (DIN:05297665)
Mr. M. Ignatius, Director (Operations) (DIN:08463140)
Mrs. Lalitha Lakshmanan (DIN: 07140032) (upto 31.03.2026)
Dr. Vijayamohanan K Pillai (DIN: 07308120)
Mr. N. P. Sinha (DIN:07980838) - Nominee of LIC (upto 31.01.2026)
Cmde. Saroj Kumar Patel (Retd.) (DIN:10474393)
Dr. R. Subrahmaniya Sivam (DIN:02393209)
Mr. C. V. Ramana (DIN: 11517220) - Nominee of LIC (from 31.01.2026)
Mrs. Jayashree Ajit Shankar (DIN: 08397093) (from 01.04.2026)

Chief Financial Officer

Mr. R. Swaminathan

Company Secretary

Mr. V. Anantha Subramanian

Statutory Auditors

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

Internal Auditors

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

Secretarial Auditors

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

Bankers

UCO Bank
Punjab National Bank

Audit Committee

Mrs. Lalitha Lakshmanan (Chairperson) (upto 31.03.2026)

Mr. N. P. Sinha (upto 31.01.2026)

Dr. R. Subrahmaniya Sivam (Chairman) (from 01.04.2026)

Cmde. Saroj Kumar Patel (Retd.)

Mrs. Jayashree Ajit Shankar (from 01.04.2026)

Mr. C .V. Ramana (from 01.04.2026)

Nomination and Remuneration Committee

Mrs. Lalitha Lakshmanan (Chairperson) (upto 31.03.2026)

Dr. R. Subrahmaniya Sivam (Chairman) (from 01.04.2026)

Dr. Vijayamohanan K Pillai

Mrs. Jayashree Ajit Shankar (from 01.04.2026)

Stakeholders Relationship Committee

Mrs. Lalitha Lakshmanan (Chairperson) (upto 31.03.2026)

Mr. N. Gopalaratnam (Chairman) (from 01.04.2026)

Dr. G. A. Pathanjali

Mrs. Jayashree Ajit Shankar (from 01.04.2026)

Corporate Social Responsibility Committee

Dr. Vijayamohanan K Pillai (Chairman)

Dr. G. A. Pathanjali

Mr. N.P. Sinha (upto 31.01.2026)

Cmde. Saroj Kumar Patel (Retd.)

Dr. R. Subrahmaniya Sivam

Mr. C. V. Ramana (from 01.04.2026)

Registered Office

“Esvin House”

13, Old Mahabalipuram Road,
Perungudi, Chennai – 600 096

Phone: 91 – 44 – 24960335 / 24963552, 24961785

Email: hebcnn@highenergy.co.in

Web: www.highenergy.co.in

Email ID for Investor Grievance

investor@highenergyltd.com

Corporate Identity Number

L36999TN1961PLC004606

ISIN: INE783E01023

BSE Code: 504176

Factory

Pakkudi Road, Mathur – 622 515

Pudukkottai District

Phone: 0431 - 2660 323 / 2660 324

Email: info@highenergyltd.com

Registrar & Share Transfer Agent

M/s. Cameo Corporate Services Ltd

“Subramanian Building”, 5th Floor,

No. 1, Club House Road, Chennai - 600 002.

Phone: (044) 28460390

Email: investor@cameoindia.com

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HIGH ENERGY BATTERIES (INDIA) LIMITED

CIN: L36999TN1961PLC004606

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

Phone: 044 - 24960335 / 24963552 / 24961785

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **65th Annual General Meeting of HIGH ENERGY BATTERIES (INDIA) LIMITED will be held on Saturday, the 27th June, 2026 at 11.00 A.M. through Video Conference (VC) / Other Audio-Visual Means (OAVM)** to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

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

"RESOLVED THAT the Audited Financial Statements of the Company for the Financial year ended 31st March, 2026 and the Reports of the Board of Directors' and Auditors' thereon be and are hereby considered and adopted."

2. Dividend Declaration

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

"RESOLVED THAT

- (i) a dividend of ₹3/- (Rupees Three only) per Equity share for the

Financial year 2025-26 be and is hereby declared on 89,63,840 equity shares of ₹ 2/- each fully paid-up;

- (ii) the dividend be paid to the shareholders whose names appear in the Register of Members of the company in the case of physical holding and to the beneficial owners of shares recorded with the Depositories in the case of Demat holding as per details furnished by the National Securities Depository Limited (NSDL) / Central Depository Services (India) Ltd (CDSL) as on Friday, the 12th June, 2026."

3. Reappointment of retiring Director

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

"RESOLVED that pursuant to Section 152 of the Companies Act, 2013 and relevant rules framed thereunder, including any modification(s) thereto or re-enactment(s) thereof, for the time being in force, Mr. M. Ignatius (DIN: 08463140), who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby reappointed as a Director of the Company, liable to retire by rotation."

NOTICE TO THE SHAREHOLDERS

SPECIAL BUSINESS

4. Commission to Non-Executive Directors

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

“**RESOLVED THAT** pursuant to Section 197 of the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, consent of the company be and is hereby accorded for payment of commission to Non-Executive Directors of the Company, out of the Net profit of the company, exclusive of the sitting fees, for a period of three financial years from FY 2026 – 2027 to FY 2028 – 2029.”

RESOLVED FURTHER THAT the commission for all the Non-Executive

Directors of the Company shall in aggregate, not to exceed the limits specified in Section 197 of the Companies Act, 2013, as amended from time to time.”

RESOLVED FURTHER THAT the commission will be divisible among the Directors in such manner and proportion as the Board of Directors may decide as deemed fit.”

“**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to the resolution.”

(By order of the Board)

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

V ANANTHA SUBRAMANIAN
Company Secretary

Chennai
12th May, 2026

NOTICE TO THE SHAREHOLDERS

NOTES:

1. AGM THROUGH VIDEO CONFERENCE (VC) / OTHER AUDIO-VISUAL MEANS (OAVM):

The Ministry of Corporate Affairs (MCA) vide its General Circular Nos.14/2020 dated 08.04.2020, 17/2020 dated 13.04.2020, 20/2020 dated 05.05.2020, 22/2020 dated 15.06.2020, 33/2020 dated 28.09.2020, 39/2020 dated 31.12.2020, 10/2021 dated 23.06.2021, 20/2021 dated 08.12.2021, 02/2022 dated 05.05.2022, 10/2022 dated 28.12.2022, 09/2023 dated 25.09.2023, 09/2024 dated 19.09.2024 and 03/2025 dated 22.09.2025 and further in accordance with the applicable provisions of the Act, Companies are allowed to hold their Annual General Meeting through Video Conferencing (VC) / Other Audio-Visual Means (OAVM) **till further orders** without the physical presence of members at a common venue.

Accordingly, the 65th Annual General Meeting (e-AGM) of the Company will be held through Video Conference (VC) / Other Audio-visual Means (OAVM). Shareholders can attend and participate in the e-AGM through VC/OAVM only. The registered office of the Company shall be deemed to be the venue for the e-AGM.

2. QUORUM / PROXY FORM/ ATTENDANCE SLIP:

A shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on

his / her behalf and the proxy need not be a shareholder of the Company.

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

The Shareholders attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

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

3. PARTICULARS OF DIRECTORS:

In terms of the Regulation 36(3) of the SEBI (LODR) Regulations, 2015 read with Secretarial Standards – 2 on General Meeting, particulars of Director, seeking reappointment in this AGM, is given in **Appendix – A** that forms part of this Notice.

4. EXPLANATORY STATEMENT:

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

NOTICE TO THE SHAREHOLDERS

5. BOOK CLOSURE:

Pursuant to Section 91 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Register of members and Share Transfer Books of the Company will remain closed **from Saturday, the 13th June, 2026 to Saturday the 27th June, 2026 (Both days inclusive).**

6. RECORD DATE FOR DIVIDEND:

The Record Date, for the purpose of determining shareholders who are eligible to receive Dividend for FY 2025 – 2026 is fixed on **Friday, the 12th June, 2026.**

7. DIVIDEND PAYMENT:

Dividend on declaration will be paid on or before **Saturday, the 04th July 2026**, electronically to those members who have updated their bank details with their Depository Participants (DP) or with the Company / Registrar and Transfer Agent (RTA). The payment of such dividend is subject to deduction of tax at source.

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

8. TAX ON DIVIDEND:

Shareholders may note that the Income Tax Act, 2025, (“the IT Act”), as amended by the Finance Act, 2026, mandates that Dividend paid or distributed by a Company shall be taxable in the hands of Members.

Declaration in Form No. 121 (in lieu of Form 15G & Form 15H), fulfilling certain

conditions to claim exemption from deduction of tax at source should be sent through email to the RTA on or before Friday, the **12th June, 2026.** Please download the Form 121 from the Income Tax website www.incometaxindia.gov.in.

The details in this regard are given in **Appendix – B** to this Notice.

9. UNCLAIMED DIVIDEND:

In terms of Section 124 of the Act, 2013, the dividend declared by the Company, for earlier years, which remain unclaimed/unpaid for a period of seven years will be transferred to the Investor Education and Protection Fund (IEPF), established by the Central Government, within the due date for transfer. Further, the Shares in respect of which dividend has not been paid or claimed for seven consecutive years or more had been transferred to Investor Education and Protection Fund.

Pursuant to The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is posting the required details of Unclaimed / Unpaid dividend referred to under Section 124 of the Act, 2013, in the Company website <https://www.highenergy.co.in/investor-info/> under the section “Unpaid Dividend” and also on the website of MCA viz., www.iepf.gov.in. The particulars of due dates for transfer of such unclaimed/unpaid dividends along with the shares to IEPF are furnished in the “Report on Corporate Governance”, forming part of the Annual Report.

NOTICE TO THE SHAREHOLDERS

10. ATTENDING e-AGM:

The Company has appointed Central Depository Services (India) Limited (CDSL) to provide VC / OAVM facility. The detailed procedure and manner for participating in e-AGM through VC/OAVM is given in **Appendix – C** to this Notice.

11. VOTING RIGHTS:

The Cut – off date for the purpose of determining shareholders who are eligible for Remote e-voting / e-voting at AGM is fixed as **Saturday, the 20th June, 2026**.

12. VOTING PROCESS:

Shareholders can cast their votes through Remote e-Voting or at the AGM through e-Voting. Remote e-Voting period commences on **Wednesday, the 24th June, 2026 (09:00 A.M.) and ends on Friday, the 26th June, 2026 (05:00 P.M.)**. The detailed process and instructions, is given in in **Appendix – C** to this Notice.

13. MAILING OF e-AGM NOTICE & ANNUAL REPORT:

In deference to extant MCA / SEBI circulars, Notice of 65th AGM, inter alia indicating the process and manner of e-voting along with instructions to attend the Annual General Meeting through Video-Conferencing / Other Audio-Visual Means (VC/OAVM) and the Annual

Report for FY 2025 – 26, are being sent only by email to those Shareholders whose email address is registered either with the Company / RTA/ Depository Participants. Shareholders who have not registered their email addresses, can register the same as per the procedure given in the Notice. The physical copies of Annual Report 2025 – 26 will be sent only to such of those shareholders who would make a valid request in this regard.

Pursuant to Regulation 36 (1) (b) of SEBI (LODR) Regulations, 2015, a letter providing the web-link, including the exact path, where complete details of the Annual Report for FY 2025-26 of our company is available is being sent to those who have not registered their e-mail address with Company / RTA/ Depository Participants. Shareholders holding shares in Physical / Demat form who have not registered their email address with the Company can get the same registered as per the procedure given (**Refer S.No.14**).

The AGM notice and the Annual Report are available on the website of the Company at <https://www.highenergy.co.in/financials/annual-reports/>, Stock Exchange i.e., BSE Limited at www.bseindia.com. The AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e., www.evotingindia.com.

NOTICE TO THE SHAREHOLDERS

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

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

- In case of shares held in Demat mode, with their respective DPs.
- In case of shares held in physical mode, the shareholders are requested to send an email to our RTA – M/s. Cameo Corporate Services Limited at investor@cameoindia.com mentioning the Name of Member(s), Folio number along with a self-attested copy of PAN card or submit your query through our RTA online Investor portal <https://wisdom.cameoindia.com/>
- After due verification, M/s. Cameo Corporate Services Limited (the RTA) will send login credentials for attending the AGM and voting to the registered email address.
- Shareholders are advised to send the above documents to the RTA before the book closure date i.e., Saturday, the 13th June, 2026 to receive the Annual Report for the FY 2025 – 26 through email.

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

15. INSPECTION:

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

NOTICE TO THE SHAREHOLDERS

II. EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

Item No 3: Re-appointment of retiring Director

Mr. M Ignatius [DIN: 08463140], aged 65, is an Electrical engineer having more than four decades of experience in the Company under various positions and about six years as Director (Operations) involving design, development and qualification of strategic high-tech batteries and has coordinated with the Indian Navy, Indian Air Force, Defence Research and Development Organization (DRDO), Naval Science and Technological Laboratory (NSTL), Vikram Sarabhai Space Centre (VSSC) and Defence agencies abroad.

Mr.M Ignatius is fully involved in a number of developments in Silver based Silver Zinc , Silver Chloride Magnesium and Sea Water activated batteries. He also received accolade from The Institution of Engineers (India) - IEI in recognition of his technical expertise and commendation from Cheif of Naval Staff (CNS).

Accordingly, the shareholders of the Company, by a Special Resolution passed through Postal ballot on 19th March, 2025, has re-appointed Mr. M. Ignatius (DIN:08463140) as Whole Time Director designated as Director (Operations) of the Company for a period of 3 years from 01st April, 2025, whose office is liable to retire by rotation.

Mr. M Ignatius retires at this Annual General Meeting is eligible for reappointment. In the opinion of the Board, Mr. M Ignatius involvement with the Company, will be necessary and beneficial to improve the level of production and operations, for enhancing the turnover cum profits of the Company.

Mr. M Ignatius is not debarred from holding the office of director by virtue of any order of SEBI or any such statutory authority.

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

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

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

Item No 4: Commission to Non-Executive Directors

Non-Executive directors (including Nominee Director) play a vital role in running of the company by giving necessary Technical, Legal, Financial and Administrative suggestions. They are devoting considerable time and efforts to discharge the role as Non-Executive directors. The company has received

NOTICE TO THE SHAREHOLDERS

many valuable suggestions towards the improvement and Profitable operations.

Considering the effective participation and valuable guidance of the Non-Executive Directors of the Company, the Board in the meeting held on 12th May, 2026 decided to seek authorization from the shareholders for payment of Commission to the Non-Executive directors including Nominee director of the Company for a period of three financial years from FY 2026 – 2027 to FY 2028 – 2029, subject to the approval of the members.

The Commission payable to Non-Executive Directors of the Company will be exclusive of the Sitting fee paid to the Non-Executive directors and shall be in accordance with Section 197 of the Companies Act, 2013 and other applicable provisions, if any and requires approval of the members by way of ordinary resolution.

Accordingly, it is now proposed to seek authorization of shareholders by way of an Ordinary Resolution for the payment of commission to Non-Executive

Directors of the Company, not exceeding one percent of Net profit of the Company in the aggregate, computed in terms of Section 198 of the Companies Act, 2013, for a period of three financial years from FY 2026 – 2027 to FY 2028 – 2029.

All Directors (Other than the Managing Director & Director (Operations)) and none of the Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise, in this item of business and places it for the consideration and approval of the shareholders.

The Board accordingly recommends the Ordinary Resolution set out in Item No.4 of the Notice for approval of the Shareholders of the Company.

.(By order of the Board)

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

V ANANTHA SUBRAMANIAN

Company Secretary

Chennai
12th May, 2026

APPENDIX – A

Details of Directors seeking reappointment at the 65th Annual General Meeting

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015] and Secretarial Standards 2 on General Meetings issued by the ICSI.]

Disclosure Particulars	Details
Name of the Director seeking re-appointment	Mr. M Ignatius
Director Identification Number (DIN)	08463140
Date of Birth / Age	15.05.1960 (65 years)
Nationality	Indian
Date of Initial Appointment on the Board	01.06.2019
Qualifications	Electrical Engineer
Experience & Expertise	He is an Electrical engineer having more than four decades of experience in the Company involving design, development and qualification of strategic high-tech batteries and has coordinated with the Indian Navy, Indian Air Force, Defence Research and Development Organization (DRDO), Naval Science and Technological Laboratory (NSTL), Vikram Sarabhai Space Centre (VSSC) and Defence agencies abroad.
Terms & Conditions of re-appointment	Proposed to be re-appointed as Director of the Company, liable to retire by rotation.
Details of Shares held in the Company	Nil
Remuneration proposed to be paid	Remuneration and Performance Incentive as decided by the Board within the ceiling approved by the Shareholders.
Remuneration last drawn (FY 2025 – 26)	Sitting fee - Nil, Remuneration - ₹ 31.50 lakhs Performance Incentive - ₹ 24 lakhs
Relationship with other directors, manager and key managerial personnel	Nil
Number of Board meetings attended during the year 2025 – 26	Held: 5 Attended: 5
Directorship in other listed companies	Nil
Chairmanship/ Memberships of Committees in Other Listed Companies	Nil
Resignation of directorships from listed entities during past three years	Nil

APPENDIX – B

Tax Deduction at Source (TDS) provisions under the Income Tax Act, 2025, for Resident and Non-Resident shareholder categories, on the Dividend payment:

In accordance with the provisions of the Income-tax Act, 2025 ('IT Act'), and the Income Tax Rules, 2026, dividend paid or distributed by the Company shall be taxable in the hands of the shareholders. Accordingly, the Company is required to deduct tax at source ('TDS') on dividend at the applicable rates. The tax deduction / withholding tax rate would vary depending on the residential status of the shareholder and the exemptions as enumerated in the Act subject to fulfilling the documentary requirements.

This communication provides a brief of the applicable Tax Deduction at Source (TDS) provisions under the Act for Resident and Non- Resident shareholder categories.

1. Resident shareholders:

- 1.1 No tax shall be deducted on payment of dividend to the Resident Individual shareholders, if the total dividend for a financial year does not exceed ₹ 10,000 (Rupees Ten Thousand), subject to availability of PAN of shareholder.
- 1.2. Tax shall be deducted from Dividend paid to resident shareholders (other than category prescribed under 1.1 above) as per the details provided below:

Particulars	Applicable Rate of Tax	Declaration/ documents required
Where valid PAN is updated with the Depository Participant (<i>in case shares are held in dematerialized form</i>) or with Company's Registrar and Transfer Agent ("RTA") i.e., Cameo Corporate Services Limited (also known as Cameo) (<i>in case shares are held in physical form</i>) and no exemption is sought by the resident member.	10%	Not applicable
No PAN/ Invalid PAN/ Inoperative PAN (*) and no exemption sought by shareholder	20%	Not applicable

APPENDIX – B

Particulars	Applicable Rate of Tax	Declaration/ documents required
Where lower/ nil tax deduction certificate is issued by Income Tax Department under section 395 of the Income Tax Act, 2025	Rate specified in Lower tax withholding certificate obtained from Income Tax Department	<ul style="list-style-type: none"> • Copy of PAN card • Copy of lower tax withholding certificate obtained from Income Tax Department <p>Note: The certificate should be valid for the financial year 2026 - 27 and should cover the dividend income from the company.</p>

(*) As per section 262 of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar Number, shall be required to link the PAN with Aadhaar, except person exempted as per Notification No. 37/2017. In case of failure to comply to this, the PAN allotted shall be deemed to be inoperative and tax shall be deducted at higher rates as prescribed under the IT Act.

1.3 No tax shall be deducted on Dividend to resident shareholders if the shareholders submit documents mentioned in the below table with the RTA:

Particulars	Declaration/ documents required
Individual furnishing Form 121 under the Income Tax Rules, 2026	<ul style="list-style-type: none"> • Copy of PAN card • Form 121 duly filled.
Submitting Certificate under Section 395 of the Income Tax Act, 2025	<ul style="list-style-type: none"> • Copy of PAN card • NIL withholding tax certificate obtained from tax authority <p>Note: The certificate should be valid for the financial year 2026 – 27 and should cover the dividend income from the company.</p>

APPENDIX – B

Particulars	Declaration/ documents required
Shareholders [e.g., LIC, GIC] covered under Section 393(4) of the Income Tax Act, 2025	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (format SD1), along with adequate documentary evidence (e.g., registration certificate) to the effect that no tax withholding is required pursuant to the provisions of Section 194 of the IT Act.
Alternative Investment Fund (AIF)	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (format SD3), that the AIF is registered with SEBI as per SEBI Regulations or IFSC Regulations along with copy of registration certificate along with the confirmation that their income is exempted from tax.
Persons covered under Section 393 of the Income Tax Act, 2025 (e.g., Mutual Funds specified under Section 11 of the Income Tax Act, 2025, RBI, Govt.)	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (format SD1), along with documentary evidence (e.g., registration certificate) that the person is covered under said Section 196 of the IT Act.

2. Non-resident shareholders:

As per Section 159 of the Income Tax Act, 2025, the non-resident member has the option to be governed by the provisions of the Double Taxation Avoidance Agreement (“Tax Treaty”) between India and the country of tax residence of the member, if they are more beneficial to them. Please refer to the below table for the details of documents to avail Tax Treaty benefits:

APPENDIX – B

Particulars	Applicable Rate	Documents required (if any)
Non-resident shareholders (including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs))	20% plus applicable surcharge and Cess OR Tax Treaty Rate (Whichever is lower)	<p>If the shareholder wants to avail the tax rates as per the Tax Treaty, following documents would be required:</p> <ul style="list-style-type: none"> • Self-attested copy of the Permanent Account Number (PAN) allotted by the Indian Income Tax authorities. • Self-attested copy of Tax Residency Certificate (TRC) issued by the competent authority of the country of member’s residency, evidencing and certifying the tax residency status of the member in the country of residency during the Financial Year 2026 – 27. • Electronically generated Form 41 can be accessed in the link https://www.incometaxindia.gov.in/documents/d/guest/form-no-41-1 • In case of FIIs and FPIs, self-attested copy of SEBI registration certificate. • Self-declaration in the format SD2, certifying that – <ul style="list-style-type: none"> i. You will continue to remain a tax resident of the country of your residency during the Financial Year 2026 – 27; ii. You are eligible to claim the beneficial Tax Treaty rate for the purposes of tax withholding on dividend declared by the Company; iii. You have no reason to believe that your claim for the benefits of the Tax Treaty is impaired in any manner; iv. You are the beneficial owner of your shareholding in the Company and dividend receivable from the Company;

APPENDIX – B

Particulars	Applicable Rate	Documents required (if any)
		<p>You do not have a taxable presence/ permanent establishment/ fixed base/ Business Connection/ Place of Effective Management, in India in accordance with the applicable Tax Treaty or dividend income is not attributable/ effectively connected to any permanent establishment or fixed base in India</p> <p>v. Non-resident complies with any other condition prescribed in the relevant Tax Treaty and provisions under the Multilateral Instrument ('MLI').</p>
Submitting Certificate under Section 395 of the Income Tax Act, 2025.	Rate specified in Lower/Nil withholding tax certificate	<p>Lower/NIL withholding tax certificate obtained from tax authority</p> <p>Note: The certificate should be valid for the financial year 2026-27 and should cover the dividend income from the company.</p>
Alternative Investment Fund – Category III	10% (plus applicable surcharge and Cess)	<ul style="list-style-type: none"> • Copy of PAN card • Self-declaration (format SD3), along with adequate documentary evidence (e.g., registration certificate) substantiating the nature of the entity.

Application of beneficial Tax Treaty Rate shall depend upon the completeness and satisfactory review by the Company/RTA, of the documents submitted by Non-Resident shareholders and meeting requirements of the IT Act read with applicable Tax Treaty. It must be ensured that self-declaration should be addressed to the company and should be in the same format as attached. In the absence of the same, the company will not be obligated to apply the beneficial Tax Treaty rate at the time of tax deduction on dividends.

The Income Tax Department has also released a Compliance Check Functionality to determine whether the PAN in case of individual is operative/ inoperative and the Company would be relying on the report generated from the said facility for compliance with Section 262 read with section 397 of the Income Tax Act, 2025.

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FOR SHAREHOLDERS HAVING MULTIPLE ACCOUNTS UNDER DIFFERENT STATUS/ CATEGORY

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

SUBMISSION OF TAX RELATED DOCUMENTS

Kindly note that the documents should be promptly emailed to us at the designated email address hebcnn@highenergy.co.in on or before Friday, the 12th June, 2026. This is essential for the Company to accurately determine and deduct the appropriate TDS/withholding tax rate. Please note that any communication or documents pertaining to tax determination or deduction received after Friday, the 12th June, 2026, (05:00 P.M.) will not be considered. The Company shall not be liable for any claims arising from taxes deducted after this deadline.

Documents sent to any other email ids may lead to non-submission of documents and attract TDS as per the provisions of the IT Act.

Notes:

- After receipt of any of the declarations, if the Company based on its independent assessment, finds any information that is contrary to the declarations received by it, the Company reserves right to rely on the results of its independent assessment and make a deduction of taxes at a higher rate as per applicable provisions of the IT Act.
- Application of TDS rate is subject to necessary due diligence and verification by the Company of the shareholder details as available in register of members on the record and any other additional documents that may be submitted.
- In case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents or for any other reason, there would still be an option available with the member to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such tax deduction.
- A declaration must be filed with the Company where the whole or any part of the dividend income is assessable, under the provisions of the IT Act, in the hands of a person other than the registered shareholder in accordance with Rule 203 of the Income-tax Rules, 2026. The declaration must consist of name, address, PAN, along with other documents mentioned

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above depending upon the tax residency status of such person to whom credit is to be given and proportion of credit to be given in respect of dividend income. And such declaration is required to be furnished before Friday, the 12th June, 2026.

- In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the shareholders (s), such member(s) will be responsible to indemnify the Company and also, provide the Company with all information/documents and co-operation in any appellate proceedings.

This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their own tax advisors for the tax provisions applicable to their particular circumstances.

All communication/ queries in this respect should be addressed and sent to our RTA, Cameo Corporate Services Limited (known as Cameo) at its email address at investor@cameoindia.com.

General Details related

Shareholders may note that the Company has notified record date for the purposes of Final Dividend for the FY 2025-26 as Friday, the 12th June, 2026 to the stock exchange.

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

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

Shareholders will also be able to see the credit of TDS in Form 168 (Rule 245 of Income Tax Rules, 2026), which can be downloaded from their e-filing account at <https://eportal.incometax.gov.in/iec/fooservices/#!/login>.

Shareholders are requested to refer to the Income Tax Act, 2025, and Rules thereunder for full details.

UPDATE OF BANK ACCOUNT DETAILS

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

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I. Procedure for participation in the 65th AGM through VC/OAVM:

1. The Company has engaged CDSL to provide VC/OAVM facility for its shareholders to participate in the e-AGM.
2. Shareholders will be able to attend the e-AGM by using their e-Voting login credentials.
3. Facility to join the meeting will open 30 minutes before the scheduled time of the e-AGM and will be kept open throughout the proceedings of the e-AGM.
4. Shareholders desiring to express their views/ ask questions during the meeting may register themselves as a speaker. Request for this may be mailed to hebcnn@highenergy.co.in on or before Wednesday, the 24th June, 2026 (05:00 P.M.).
5. Only those shareholders who have registered themselves as a speaker will be allowed to express their views or ask questions at the e-AGM. The company reserves the right to restrict the number of questions and number of speakers depending upon the availability of time for conduct of the e-AGM.
6. Shareholders who do not wish to speak during the AGM but have queries or views may send the same in writing sending an e-mail to hebcnn@highenergy.co.in in the same manner stated above. Their queries will be replied suitably by the company through email.
7. Shareholders are advised to quote their Name, DP ID / Client ID and Folio No. in all their communications.
8. Recorded transcript of the e-AGM will be uploaded on the website of the Company (www.highenergy.co.in) as soon as possible.

Help Center

Login type	Helpdesk details
Individual Shareholders holding securities in Demat Mode with CDSL or in Physical mode	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.
Individual Shareholders holding securities in Demat Mode with NSDL	Shareholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call +91(0)22- 4886 7000 and +91 (0) 22-2499 7000.

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

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Assistant Vice President, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013 or send an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

II. Voting Process & Instructions

A. Remote e-Voting Facility

1. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies Management and Administration) Rules, 2014, and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), the company is pleased to provide to its shareholders the facility to exercise their right to vote at the 65th Annual General Meeting (AGM) on resolutions proposed to be considered thereat by electronic means. For this purpose, “remote e-Voting” facility is offered whereby a shareholder can cast his vote using an electronic system from a place of his choice.
2. The Remote e-Voting facility is offered through e-Voting services provided by Central Depository Services (India) Limited (CDSL).
3. Remote e-Voting commences on **Wednesday, the 24th June, 2026 (09:00 A.M.)** and ends on **Friday, the 26th June, 2026 (05:00 P.M.)**. The e-Voting portal will thereupon be blocked by CDSL.

B. Login for Remote e-Voting / joining the Virtual meeting

Demat Holders

1. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 (rescinded through SEBI Master Circular dt.30.01.2026) on e-voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories/ Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts for seamless access to e-voting facility.

SEBI vide its notification SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 had mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Shareholders are advised to dematerialize the shares held by them in physical form. Shareholders can contact the Company for assistance in this regard.

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2. In order to increase the efficiency of the voting process, all the Demat account holders, by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants, will be able to cast their vote without having to register again with the E-voting Service Providers (ESPs).
3. In case of individual shareholders holding shares in Demat mode, access could be secured through respective Depositories CDSL/ NSDL e-Voting system. In case of non-individual shareholders in Demat mode and individual shareholders holding shares in physical mode, access could be secured only through CDSL e-Voting system.
4. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode through CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<ol style="list-style-type: none"> 1) Shareholders (user) who have opted for CDSL’s Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasitoken/home/login or visit www.cdslindia.com and click on Login icon and select My Easi New (Token) Tab. 2) After successful login the Easi/Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider (“ESP”) for casting his/her vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all ESPs i.e., CDSL/NSDL/KFIN/LINKINTIME/ BIGSHARE/PURVASHARE, so that the user can visit the websites of ESPs directly. 3) If the user is not registered for Easi/Easiest, option to register is available at: CDSL website: www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4) Proceed to complete registration using your DP ID, Client ID etc. After successful registration, please follow steps given above to cast your vote.

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Type of shareholders	Login Method
	<p>5) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
<p>Individual Shareholders holding securities in demat mode with NSDL Depository</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com/. Select “Register Online for IDeAS” Portal or click https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp.</p> <p>3) Alternatively, the user can directly visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit Demat Account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & e-voting during the meeting.</p>

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Type of shareholders	Login Method
	<p>4) For OTP based login you can click on https://eservices.nSDL.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>5) Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; align-items: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>
<p>Individual Shareholders (holding securities in Demat mode) login through their Depository Participants (DP)</p>	<p>You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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

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5. Registration of e-mail or Mobile Number

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

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

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

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

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

- After entering these details appropriately, click on “**SUBMIT**” tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Select **EVSN (Electronic Voting Sequence Number) 260526006** of High Energy Batteries (India) Limited.
- On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

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- After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

A. Additional Facility for Non – Individual Shareholders and Custodians [For Remote Voting Only]:

- Non-Individual shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com/> and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delinked in case of wrong mapping.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; hebcnn@highenergy.co.in, if they have voted from individual tab & not uploaded the same in the CDSL e-voting system, for the scrutinizer to verify the same.

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B. Voting at e-AGM:

- The Company also offers the facility to the Shareholders for voting at AGM through e-Voting facility for shareholders participating through VC/OAVM.
- Shareholders who could not vote through remote e-voting may avail the above voting option provided at the e-AGM by CDSL. The procedure is the same as mentioned for Remote e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote during the AGM by availing the option of e-Voting facility.
- If a shareholder cast his vote in the e-AGM without being present, his vote will be treated as invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
- In case of joint holders attending the meeting, only the joint holder who is higher in the order of the names will be entitled to vote at the e-AGM.

IV. General Instructions

1. The cut-off date for the purpose of e-voting has been fixed as Saturday, the 20th June, 2026. Shareholders holding shares as on this cut-off date alone are entitled to vote under any one of the voting options.

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2. In case of persons who have acquired shares and become members of the company after the despatch of AGM Notice and holding shares as on cut-off date, the company would be mailing the 65th Annual Report for FY 2025-26 to their registered email address as and when they become shareholders. They may follow the same procedure for voting.
3. Voting rights of shareholders shall be in proportion to their shareholding in the company as on the cut-off date of **Saturday, the 20th June, 2026**.
4. In case a shareholder by inadvertence or otherwise has voted under both options, voting by Remote e-voting only will be considered.
5. Mr. A S Kalyanaraman, Practicing Chartered Accountant (Membership No. 201149) has been appointed as the Scrutinizer.
6. The Scrutinizer will after the conclusion of voting at the e-AGM:
 - (i) Unblock the votes cast through Remote e-voting / e-voting at the e-AGM.
 - (ii) The above exercise will be done in the presence of two witnesses not in the employment of the company.
 - (iii) Make a consolidated Scrutinizer's report of the total votes cast in favor or against, if any, and submit to the Chairman.
 - (iv) The Scrutinizer's report as above would be made soon after the conclusion of e-AGM and in any event not later than two working days from the conclusion of the AGM.

V. Voting Results

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

BOARD'S REPORT

Your Board hereby presents the 65th Annual Report and the Audited Accounts for the year ended 31st March 2026.

1. OPERATING RESULTS

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

(₹ in lakhs)

Particulars	2025-26	2024-25
Sales (Net of GST)	8,310.24	8,075.22
Other Operating Income	42.40	24.60
Other Income	588.18	571.26
Total Income	8,940.82	8,671.08
Profit before Finance Costs, Depreciation and Tax and Exceptional Item	2,494.38	2,307.66
Less:		
Exceptional Item	124.66	-
Finance Costs	185.57	148.28
Depreciation	109.45	91.00
Profit before Tax	2,074.70	2,068.38
Less:		
Provision for Taxation:		
Current Tax	535.76	534.54
Deferred Tax	(0.24)	0.85
Net Profit	1,539.18	1,532.99
Other Comprehensive Income	(80.02)	(74.87)
Total Comprehensive Income	1,459.16	1,458.12

The Company recorded a turnover of ₹ 8,352.64 lakhs in the year FY 2025-26, as compared to ₹ 8,099.82 lakhs, during the previous Financial Year 2024-25.

This represents 99.10% of the total Equity Share Capital compared to 98.87% in the previous year.

2. DEPOSITORY SYSTEM

The total number of shareholders as on 31st March, 2026 was 22,530 holding 89,63,840 shares (Face value of ₹ 2/- each) of which 88,83,040 shares are held in Demat form by 22,455 shareholders.

3. DIVIDEND

Your directors have recommended a dividend of 150% (₹ 3/- (Rupees Three only) per equity share of ₹ 2/- each for the financial year ended 31st March, 2026, absorbing a sum of ₹ 268.92 lakhs, subject to the approval of shareholders at the ensuing 65th Annual General Meeting.

BOARD'S REPORT Continued...

4. TRANSFER TO RESERVES

The requirement to do transfer from Current Year Profits to Reserves has been dispensed by the Ministry of Corporate Affairs ("MCA"). No amount was transferred to any reserve during the financial year.

5. PERFORMANCE REVIEW

a. SILVER ZINC BATTERIES

The Company achieved a turnover of ₹ 7,660.28 lakhs through Silver Zinc Battery supplies during the FY 2025-26 as against ₹ 7,772.27 lakhs, during the FY 2024-25.

b. NICKEL CADMIUM BATTERIES

During the year, the turnover of Nickel Cadmium Division was ₹ 649.96 lakhs, as against ₹ 302.95 lakhs during the previous year. The modernization goal of Railways for development cum supply of both sintered plate type and pocket plate type Nickel Cadmium (NICAD) batteries, is under progress. Discussions are in progress with reputed companies abroad, to establish local manufacturing base, during FY 2026 - 27.

c. LEAD ACID BATTERIES (LAB)

As reported earlier, the operations of our Lead Acid Battery division remain suspended since April, 2019 due to severe competition in the retail market resulting in non-remunerative prices. While our efforts are continuing towards the revival of the Plant, favorable options could not be arrived at, that will ensure sustained operations.

d. i) EXPORTS

During the year, the export turnover was ₹ 24.30 lakhs, when compared to ₹ 1,222.08 lakhs made during FY 2024 – 25.

ii) MERCHANT EXPORTS

During the year, the Merchant Export turnover was ₹ 1,089.50 lakhs and it was Nil in the previous year.

e. FINANCE

The financial position of the Company was comfortable during the year, owing to our improved operations, coupled with judicial utilization of working capital limits and also reduction in interest rate(s) by the Banks. Though the Company is categorized as MSME, (presently in "Small" category since April 2025), due to the internal procedures of the Defence / Government departments, payments were getting delayed at times. On such occasions, the needed financial support was duly cognized and support taken from Bankers, to ensure continued operations of our plant.

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

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

BOARD'S REPORT Continued...

6. R & D – CURRENT YEAR (2026 – 27)

i. DRDO Program

Silver Zinc Battery:

During FY 2025 – 26, our Research & Development (R&D) received Development cum supply of a battery involving Silver Zinc system for Heavy Weight Torpedoes. The development activity progressed satisfactorily within the stipulated period.

Apart from this, the design of Silver Zinc cells with improved Cycle life and Wet life was developed and the testing is under progress.

Silver Chloride Magnesium Battery:

On similar lines, development of Sea Water activated battery catering to Light Weight Torpedo requirements requiring higher power of 120 kW was completed. Further modifications and improvements were carried out and the Sea Trial was completed successfully. Supply orders from DRDO and Indian Navy is enabling regular production, and is expected to commence during the FY 2026-27.

ii. Nicad Pocket Plate batteries for Railways

The Company received development cum supply order of Nickel Cadmium (Ni-Cd) batteries for Indian Railways loco application. Towards this, the battery manufacturing, assembly cum testing facility was established and regular production shall commence upon

receiving the approval from the customer during FY 2026-27.

iii. Towed Reel and Torpedo Reel Indigenization

The Company initiated the activity of indigenizing Towed Reel and Torpedo Reel for Underwater applications. In this, the company achieved the indigenization of Mechanical hardware. The reel wire development is in progress and upon completion of this activity and approval by Navy, regular supply can be pursued from FY 2026 – 27.

STATUS OF OTHER R&D PROJECTS (FY 2025 – 26).

i. Long Life Sea Water Activated Battery

The purpose of this battery type is to provide power for underwater monitoring instruments for over a year or longer, continuously. Activities pertaining to the design, development cum evaluation of long endurance Sea Water battery was initiated through TDF (Technology Development Fund) DRDO. The field trials and testing of the battery were completed satisfactorily during FY 2025 -26 (one at HEB premises and one battery in co-ordination with National Institute of Ocean Technology (NIOT) at sea, off the coast of Chennai).

ii. Sea Water activated battery for Acoustic devices

The Company developed Sea Water activated battery for underwater expendable acoustic devices during

BOARD'S REPORT Continued...

FY 2025 – 26 and the performance on testing, met the requirements satisfactorily. Regular production and supply is slated for FY 2026 – 27 onwards.

iii. Primary Silver Zinc battery for Combat applications

The Company received development cum supply of High-Power Silver Zinc Batteries for Combat underwater applications. Battery designed and developed by our company was qualified by DRDO and the performance was satisfactory. Possibility is there for regular supplies, once the System / Platform is inducted into service in the upcoming six to nine months, through Indian Navy.

iv. Energy related Centre for High Technology (CHT) Programs

CHT had initiated another program during FY 2023 – 24, with IOCL and GAIL as funding agencies and with our participation. The target of this two-year program is to come up with a low power Fuel Cell (FC) stack using Hydrogen and Air as an open Cathode design PEMFC system.

On this, optimization of membranes, the catalysts material selection, catalyst loading and proto type stack evaluation progressed satisfactorily. The Process flow and control parameters for proto development was established and this program was completed including the testing cum evaluation of a scaled up 2.5 kW plus level unit, during the FY 2025 – 26 at Company premises. The on-road demonstration at IOCL (R&D Centre) is in progress.

v. Vanadium based flow battery (VRFB) - Energy Storage

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

Main scope of the program involves scaling up of the system to 10 kW / 50 kWh rating and further evaluation, on stand-alone storage mode using Solar PV based energy harness. Activities pertaining to this contract had started from March 2024 and the proposed work progressed well and was completed during the period FY 2025 – 26.

Further, agreement is under process with funding agency for further continuity of activities including on-site testing & validation, towards commercial exploitation.

Company is presently exploring other opportunities by participating in Tenders / proposals on VRFB segment and energy storage back-up needs of Solar PV projects.

vi. Lithium-Ion Battery [LIB]

The facility for cell screening, making battery pack assembly, BMS (Battery Management System), Controller and Electronics and testing as both LIB packs or Lithium Ion battery using cylindrical as well as prismatic type cells, is now fully established.

BOARD'S REPORT Continued...

We have made a number of standalone Solar PV based street lights which are regularly monitored and evaluated at different locations at Mathur village and at Large Industrial sites. Work on EV battery is also under in-house evaluation along with in-house development of Lithium-Ion batteries along with Inverter, BMS and Electronics for backup services as an integrated Battery Energy Storage System [BESS]. Field evaluation cum in-house testing is under progress in tandem with Solar PV based Energy source.

vii. Electrolyzer project (BOP)

Recently (FY 2025 – 26), our Company participated in a tender for Balance of Plant (BOP) for 60kW PEM (Proton Exchange Membrane) Electrolyzer and the technical evaluation is under progress. Our plan is to work on Hydrogen Electrolyzers, both alkaline based and PEM based.

7. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

8. CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Corporate Governance Report together with the certificate from the Company's auditors confirming the compliance of

conditions on Corporate Governance is given in **Annexure – 2**. The Corporate Governance Report also includes contents and disclosures required under Section 134(3) of the Companies Act, 2013 at relevant places that forms an integral part of this report.

9. EXTRACT OF ANNUAL RETURN

Pursuant to provisions of Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, a copy of annual return for FY 2025 – 26 will be placed on the website of the company after conclusion of the 65th AGM. However, a copy of Annual Return for FY 2024-25 has been placed on the website of the Company <https://www.highenergy.co.in/>.

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable Accounting Standards have been followed and there are no material departures from the same;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, at the end of the financial

BOARD'S REPORT Continued...

year and of the profit of the Company for that period;

- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a "going concern" basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operate effectively.

11. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year, the Company did not give any loan or guarantee or made any investment or provide any Security, which are covered under Section 186 of the Companies Act, 2013.

12. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

In line with the requirements of the Act and the SEBI (LODR) Regulations, 2015, the Company has formulated a Policy on

Related Party Transactions. All Related Party Transactions (RPTs) entered into by the Company have the prior approval of the Audit Committee. The Related party transactions that were entered into by the Company during the FY 2025 – 26, were on Arm's length basis. Further, no material related party transactions were entered into by the Company during the FY 2025 -26.

The Corporate Governance Report contains relevant details on the nature of Related Party Transactions (RPTs) and the policy formulated by the Board on Material RPTs.

Particulars of contracts or arrangements with related parties referred in Section 188(1) of the Companies Act, 2013 is furnished in accordance with Rule 8(2) of the Companies (Accounts) Rules, 2014 in disclosed in Form No.AOC-2 is given in **Annexure – 3**.

The details of related party transactions entered into by the Company, in terms of Ind AS-24 have been disclosed in the notes to the financial statements of the Company.

13. MATERIAL CHANGES AND COMMITMENTS

There is no change in the nature of business of the Company during the year. There is no material change or commitment affecting the business operations and the financial position of the Company that has occurred since 31st March 2026, to the date of this Report.

BOARD'S REPORT Continued...

14. CONSERVATION OF ENERGY

Information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo, as required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 is given in **Annexure – 4** that forms part of this report.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company is covered under the mandate of Section 135 of the Companies Act, 2013 for FY 2025 – 26. The CSR Report, in the prescribed form is given in **Annexure – 5**, that forms part of this report.

16. PARTICULARS OF EMPLOYEES

The Statement of Disclosure of Remuneration under Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in **Annexure – 6** that forms part of this report.

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

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

MSME vide notification number S.O. 1364(E) dated 21st March, 2025 defined the revised threshold for investment and turnover which is effective from 01st April, 2025. As per the said notification, the Company was categorized as “Small” under MSME Classification with effect from 01st April, 2025. For the FY 2025 – 26 our company continues to remain as “Small” category.

18. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on 31st March, 2026, the Company has no Subsidiary, Joint venture and Associate Companies.

19. PUBLIC DEPOSIT

The Company does not accept public deposits and there is no outstanding at the beginning or end of the year.

20. ADVERSE ORDERS

No significant or material order has been passed by the regulators or courts or tribunals impacting the ongoing concern status of the Company and the operations of the Company in future.

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

- (i) The Company has laid down adequate systems and well-drawn procedures for ensuring internal financial controls. It has appointed an external audit firm as Internal Auditors for periodical checking and reviewing the adequacy of systems.
- (ii) Internal auditors are present at the Audit Committee meetings where

BOARD'S REPORT Continued...

internal audit reports are discussed alongside of management comments and the final observation of the internal auditor.

(iii) The Board of Directors have adopted various policies like Related Party Transactions Policy and Whistle Blower Policy and put in place budgetary control and monitoring measures for ensuring proper and efficient conduct of the business of the Company, safeguarding of its assets, the prevention and detection of frauds and errors, accuracy of reporting, completeness of the accounting records and the timely preparation cum presentation of reliable financial information.

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

22. COST RECORD

Though Cost Audit is not applicable to the Company. The Cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, are prepared and maintained by the Company.

23. CONSTITUTION OF INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has a Policy for Prevention of Sexual Harassment (POSH) of

Women at Workplace and also complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company had constituted an Internal Committee (IC) with 4 Members (including 1 External member) and conducts Awareness programmes every year for all the Women employees of the Company.

Number of complaints received and resolved in relation to Sexual Harassment of Women at Workplace (Prevention, Protection, and Redressal) Act, 2013: during the year under review and their details is as under:

- a) No. of complaints of sexual harassment received in the year: **NIL**
- b) No. of complaints disposed off during the year: **NIL**
- c) No. of cases pending at the end of year (as on 31.03.2026) : **NIL**
- d) No. of cases pending for more than 90 days: **NIL**

24. INSOVENCY AND BANKRUPTCY CODE, 2016

Application made or proceeding pending under the Insolvency and Bankruptcy Code, 2016: **NIL**

25. ONE TIME SETTLEMENT (OTS)

The Company has not made OTS with Banks or Financial institutions.

BOARD'S REPORT Continued...

26. DISCLOSURE UNDER MATERNITY BENEFIT ACT, 1961

The Company is committed to providing a safe, inclusive and supportive work environment for all employees, including women employees. The Company complies with the provisions of the Maternity Benefit Act, 1961 and the rules framed thereunder, as amended from time to time. However, the requirement of providing benefit to woman under Maternity Benefit Act, 1961 has not arisen during the year.

27. INDIAN ACCOUNTING STANDARDS (IndAS)

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

28. CASH FLOW STATEMENT

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

29. INDUSTRIAL RELATIONS

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

During FY 2025 – 26, the company concluded the wage negotiation and the same is valid for a tenure of five (5) years effective from 01st April, 2024 to 31st March, 2029.

30. DIRECTORS

- (a) At the 64th Annual General Meeting of the Company, shareholders through Special Resolution reappointed Mr. N Gopalaratnam (DIN:00001945) as a Director of the Company, liable to retire by rotation.
- (b) On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at the meeting held on 31.01.2026, re-appointed Dr. G A Pathanjali (DIN:05297665) as Managing Director of the Company for a period of three years with effect from 01st April, 2026 to 31st March, 2029.
- (c) LIC vide its letter dated (IBO/ND Cell/SS) dated 13.01.2026 nominated Mr. C V Ramana as Nominee Director of the Company, in place of Mr. N P Sinha. The Board of Directors at the meeting held on 31.01.2026, appointed Mr. C V Ramana (DIN:11517220) as Nominee Director of the Company with effect from 31st January, 2026, in place of Mr N P Sinha (DIN:07980838).
- (d) The Board based on the recommendation of the Nomination and Remuneration Committee passed resolution through Circulation on 20.02.2026 relating to recommending the appointment of Mrs Jayashree Ajit Shankar (DIN:08397093) as Woman Independent Director of

BOARD'S REPORT Continued...

the Company for a first term of five years from 01st April, 2026 and approved the Postal Ballot notice to seek shareholders approval for the Reappointment of Managing Director by Special Resolution, Appointment of Nominee Director by an Ordinary Resolution and for the Appointment of Woman Independent Director by a Special Resolution.

- (e) In the opinion of the Nomination and Remuneration Committee and the Board of Directors, Mrs Jayashree Ajit Shankar (DIN:08397093) carries an experience over three decades in the varied areas especially Insurance, Personnel Management and Corporate Strategies and she possesses the relevant qualification, skill, experience and technical knowledge. Further, Mrs Jayashree Ajit Shankar has registered with the Databank maintained by the Indian Institute of Corporate Affairs (IICA) and she is exempted from undertaking the online proficiency self – assessment test conducted by the Indian Institute of Corporate Affairs.
- (f) Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 and Regulation 17 (1C) of the SEBI (LODR) Regulations, 2015, following Special and Ordinary Resolutions were passed through Postal Ballot by the Shareholders on 24th March, 2026:

Special Resolution

- For the Re-appointment of Dr. G A Pathanjali (DIN:05297665) as Managing Director of the Company for a period of three (03) years with effect from 01st April, 2026 to 31st March, 2029, not liable to retire by rotation
- For the Appointment of Mrs. Jayashree Ajit Shankar (DIN: 08397093) as Woman Independent Director for a first term of five years from 01st April, 2026 to 31st March, 2031, not liable to retire by rotation.

Ordinary Resolution

- For the Appointment of Mr. C V Ramana (DIN: 11517220) Nominee Director (Nominee of LIC) of the Company with effect from 31st January, 2026, not liable to retire by rotation.

The above Special and Ordinary Resolutions as stated in the Postal ballot notice dated 20.02.2026 has been passed with requisite majority. The Voting results of the Postal ballot process was declared on 24th March, 2026 and posted in our Company's website.

- (g) Pursuant to Section 149 of the Companies Act 2013, the Directorship of Mrs Lalitha Lakshmanan (DIN:07140032) as Independent Director of the Company was completed by 31st March, 2026, upon completion of her two terms of five consecutive years each.

BOARD'S REPORT Continued...

(h) Pursuant to Section 152 (6) of the Companies Act, 2013 and in accordance with Article 89 of the Articles of Association of the Company, Mr. M Ignatius (DIN: 08463140), Director (Operations) of the Company, retires by rotation at the ensuing 65th AGM of the Company and being eligible offers himself for re-appointment, through Ordinary Resolution. Due disclosure and rationale for his reappointment are furnished in the statement pursuant to Section 102(1) of the Companies Act, 2013 attached to the AGM Notice.

Necessary resolution is placed before the Shareholders for their approval.

31. AUDITORS

(i) Statutory Auditors

The Company obtained the approval of Shareholders at the 61st AGM held on 29th June, 2022 for the appointment of M/s. Maharaj N R Suresh And Co LLP, Chartered Accountants as Statutory Auditors of the Company for a Second term of Five years. Accordingly, their term will expire at the conclusion of the 66th Annual General Meeting of the Company.

(ii) Internal Auditors

On the basis of recommendation of Audit Committee, the Board at its meeting

held on 21st January, 2025 appointed M/s. R Subramanian And Company LLP, Chartered Accountants as Internal Auditor of the Company for a period of two (2) years, from FY 2025-26 & FY 2026-27.

(iii) Secretarial Auditors

Pursuant to Regulation 24A of SEBI (LODR) Third Amendment Regulations, 2024 dated 12th December, 2024, relating to the appointment of Secretarial Auditor, the Board at its meeting held on 10th May, 2025 recommended the appointment of M/s. V Suresh Associates, Practicing Company Secretaries as Secretarial Auditor of the Company for a term of Five (05) consecutive financial years, from FY 2025-26 to FY 2029-30 and the same was approved by the shareholders in the 64th Annual General meeting held on 21st June, 2025.

(iv) Cost Auditors

The appointment of Cost Auditors is not mandatory for the Company during the FY 2026-27.

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

Secretarial Audit Report, as required by Section 204(1) of the Companies Act, 2013, is attached as **Annexure – 7**.

BOARD'S REPORT Continued...

ACKNOWLEDGEMENT

Your Directors wish to express their sincere thanks to:

- (i) all the valued customers viz., Defence Services, VSSC, ISRO, RCI, ASL, DRDO Laboratories and Ministry of Defence (MOD), NSTL, NPOL, NMRL, BDL, BrahMos (BAPL), BEL, HAL, ADE, ADA, Mahindra Defense, TDF, NIOT and other Defence based organizations such as DGONA, DAPI, CVRDE, MGO, Air (HQ), HQMC for the whole-hearted support and encouragement, towards indigenous sourcing of Batteries for strategic applications, fulfilling Atma Nirbhar.
- (ii) all our valued Govt Statutory Bodies like IOF, PCB and Inspection cum Certifying agencies such as CEMILAC, DGAQA, DGNAI, DGQA, MSQAA, SSQAG, R&QA, CLW (Chittaranjan Loco Works) and Railways for their timely and meticulous adherence of Quality Assurance / Product acceptance procedures.
- (iii) Educational Institutions viz., NIT(T), IIT Chennai for their co-operation and technical support to our R & D progress, OECT, part of ONGC for initiating a program on Vanadium Redox Flow Battery (VRFB); Centre for High Technology (CHT) in partnership with OECT, IOCL and GAIL for initiating

development activities pertaining to Fuel Cells and Electrolyzer based Green Energy using Hydrogen; Research Institutions like CECRI, National Institute of Technology (NIT), Trichy for actively involving in our Indigenization efforts.

- (iv) the Overseas customers, WASS (Italy), Thyssenkrupp (Germany), DASTAN (Kyrgyzstan), SLAF (Sri Lanka) and VIRTUS (Merchant Exporter), who have reposed utmost faith and confidence in our products and co-operating with us, including as offset partners.
- (v) the Consortium of Bankers viz., UCO Bank (UCO) and Punjab National Bank (PNB) for extending timely financial support towards the continued positive performance of the Company.
- (vi) the Employees at all levels of the company for their co-operation, harmonious working to achieve committed deliveries and the sincere efforts put in to sustain the performance.
- (vii) to all suppliers, vendors, service providers, sub-contractors and Shareholders for their continued trust and support.

(For Board of Directors)

N GOPALARATNAM

Chennai
12th May, 2026

Chairman
(DIN:00001945)

ANNEXURE – 1 TO BOARD’S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

i. INDUSTRY STRUCTURE AND DEVELOPMENTS

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

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

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

The principal customers of the Company are the Department of Defence Supplies and VSSC / ISRO and therefore the

Company is subject to certain provisions of the Official Secrets Act, 1923. The Company also requires prior permission from Ministry of Defence for export to other countries.

The Defence applications require high reliability products including mid-life upgradation of technology to meet the global challenges and any eventual system obsolescence. DRDOs and Defence establishments have technology driven applications and provide us opportunities for even ab-initio Engineering development which acts as a catalyst for the growth of our Company. The procurement policy currently pursued by the Government with thrust on Indigenization and “Atmanirbhar” in Defence procurement, encourages the domestic manufacturing sector and it augurs well for our Company with Design, Development, manufacturing cum testing capability to perform better.

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

ANNEXURE – 1 TO BOARD'S REPORT

systems, for use in many mission-critical applications.

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

ENERGY STORAGE SYSTEM (ESS) GROWTH STORY

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

India's Energy Storage System (ESS) growth is rapidly transitioning from a nascent pilot phase into core grid infrastructure to support the country's ambitious 500 GW renewable energy target. Driven by plummeting battery costs and aggressive government mandates, the market is poised to reach up to \$8.6 billion by 2031. This progress is in line with India's commitment to achieving its 500 GW of non-fossil fuel energy, to meet the 'Panchamrit' goals of the Government of India (GoI) involving both Lithium-Ion battery (LIB) and Flow Battery (VRFB).

Key Drivers of the Growth Story

- **Rapid Capacity Expansion:** The Central Electricity Authority (CEA) estimates that India will require 411.4 GWh of energy storage by 2031–32. This will be split between Battery Energy Storage Systems (BESS) and Pumped Hydro Storage (PHS). On this, our Company is pursuing Engineering and Development work pertaining to multi-kW level BESS programs.
- **Skyrocketing Project Pipeline:** India's BESS pipeline currently sits at an unprecedented 92 GWh installed grid-scale battery storage capacity. It is experiencing a ten-fold increase, jumping from under 200 MWh to roughly 5 GWh.

BATTERY ENERGY STORAGE SYSTEM (BESS) MARKET

India's Battery Energy Storage System (BESS) market is experiencing rapid expansion, projected to grow from USD 2.05 billion in 2026 to USD 8.59 billion by 2031, at a compounded annual growth rate (CAGR) of 33.2%. This boom is fueled by the aggressive integration of renewable energy and the need to stabilize the national power grid.

Key Market Drivers

- **Renewable Energy Integration:** India is aggressively pursuing an ambitious target to deploy 500 GW of renewable energy by 2030. BESS is critical to managing the intermittent nature of solar and wind power.

ANNEXURE – 1 TO BOARD’S REPORT

- **EV Adoption:** The rapid rise of electric vehicle sales and the necessary infrastructure are heavily driving the demand for efficient energy storage solutions.
- **Government Mandates:** The Central Electricity Authority (CEA) expects BESS capacity requirements to surge, setting clear Energy Storage Obligations (ESO) for power entities.
- **Declining Costs:** Aggressive competitive bidding and the introduction of Viability Gap Funding (VGF) by the government have led to a significant drop in BESS tariffs, boosting deployment scale.

ii. OPPORTUNITIES AND THREATS

Opportunities

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

Threats

- Price rise in input materials.
- Import restriction and/or delays in receipt of critical materials/ components.
- Change in Government policy of procurement, especially by Defence Departments.
- Adverse change in the global scenario
- Introduction of advanced and/ or disruptive systems cum technological break-through.
- Necessity to get trained in the upcoming technologies and upgradation of production methods and equipment, mandated to take on / tackle these challenges.

iii. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

HEB’s revenue grew at a CAGR of 6% over the last ten years from FY 2016 – 17 to FY 2025 – 26, backed by the Government’s thrust on the Defense sector as well as its focus on awarding orders to indigenous players. In FY 2025 – 26, the revenue had increased by 3% Year on Year basis of ₹ 2.35 Crores. The Company has a confirmed order book of around ₹ 56 Crores with a possible order value of ₹ 101 Crores to be realized within the next 6 months, to be executed over the next 12-18 months period, compared to the previous year opening order book of ₹ 62.68 Crores, providing adequate revenue visibility cum turnover possibility for FY 2026 – 27.

ANNEXURE – 1 TO BOARD’S REPORT

The Company supplies silver-zinc batteries to several Defence establishments including Navy, Army, Airforce, space research organizations and exports. In the Aerospace and Naval segment, HEB derives around 60% revenues from Navy & Naval Research Labs. Typical break – up of orders from different customer base indicates:

Customer	%
Navy & Naval Research Labs	58
DRDO Labs	-
Defence Public Sector	15
Aerospace & Others (NICAD, TDF and NuPro)	27
Total	100

HEB’s EBITDA margins have improved substantially over the last five years, as a result of change in the product mix, better absorption of fixed costs and improved Banking operations. With due consideration of the possible uncertainties arising out of the flow of development orders, exposure to raw material price fluctuations and inconsistent import delivery commitments by approved sources abroad and silver price volatility all the possible fluctuations and cost factors are monitored and addressed well in all our contracts. The Company strives its best to maintain a sustainable EBITDA margin of around 25%.

iv. OUTLOOK

The procurement needs of Indian Defence can be linked to a particular

cycle of order placement. Earlier, the cycle was of the order of four to five years and in recent years, it got shifted to six or seven years cycle or even more, in view of the mid-life technical improvements that we have achieved and provided through in-house R&D, on both the dry and wet storage life of batteries in service. While some flexibilities were available in product pricing during the earlier years, in recent times, competitive pricing requirement has an impact on the operating margins as well. The Export potential for the products, though limited, is being explored on a continuous basis.

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

Some of the key features in FY 2026 – 27 of the Defence in Union Budget 2026 – 27 are as follows:

- In 2026 – 27, the Ministry of Defense (MoD) was allocated a total Budget of ₹ 7.85 lakh crore, which is 15.19% YoY increase from 2025 – 26 budgeted figures.

ANNEXURE – 1 TO BOARD'S REPORT

- Of this, ₹ 1.39 lakh crore was earmarked for procurement from domestic Defence industries.
- For FY 2026 – 27, the budgetary allocation under capital head to the Defence Forces is over ₹2.19 lakh Crore, which is 21.84% more than Budget Estimates of FY 2025 – 26. Out of ₹2.19 lakh crore, ₹1.85 lakh crore has been earmarked for capital acquisition, representing an increase of approximately 24% over FY 2025 –26.
- The capital allocation to the Border Roads Organization (BRO) has been increased to ₹ 7,394 crore for FY 2026 – 27.
- Defence exports was at ₹ 38,424 crore in Financial Year 2025 – 26, a 62.66% increase over previous fiscal.

v. RISK AND CONCERNS

HEB has a long working capital cycle, primarily due to the higher levels of inventory that need to be maintained. The Company's Major revenue is from Defence sector and is dependent on Defence priorities and budget allocation. Continued thrust for indigenization and Atmanirbhar, especially of Ministry of Defence (MOD), provides a positive outlook.

The export market though limited, the Company keeps exploring possible markets like Poland, Vietnam and effects

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

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

Price fluctuations that are gradual and regular, arising out of non-silver materials like Copper and Zinc, get judiciously addressed in cost estimates and pricing, to mitigate any abnormal escalation. Less than 10% of the total raw materials consumed are imported, liable to certain Forex variation, and/ or Government restrictions, which again is factored adequately in cost workings, to ensure overall exposure level to be "Nil" to "as minimum as possible" on annual basis.

ENERGY STORAGE GROWTH (ESS) BOTTLENECK AND CHALLENGES

Despite the monumental growth in Solar PV power and the need for battery

ANNEXURE – 1 TO BOARD’S REPORT

thereof, the market faces hurdles. Aggressive tariffs discovered in recent competitive bidding do not always align with current battery prices coupled with challenges faced in supply chain due to global scenarios.

Nonetheless, with national policies solidly in place, the energy storage ecosystem-spanning generation, transmission, and distribution will remain the most critical component in India’s ongoing transition away from fossil fuels.

vi. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

vii. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT OF OPERATIONAL PERFORMANCE

	2025 – 2026 (in Ampere hours)	2024 – 2025 (in Ampere hours)
Production	1503380	1437377
Sales	1503380	1437377
	(₹ in lakh)	(₹ in lakh)
EBIDTA	2369.72	2307.66
Finance Costs	185.57	148.28
Depreciation	109.45	91.00
Exceptional Item – Expenses	124.66	-
Profit Before Tax		
- Before Exceptional Item	2199.36	2068.38
- After Exceptional Item	2074.70	2068.38
Profit After Tax	1539.18	1532.99

viii. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company as of 31st March, 2026 has 125 employees on its rolls out of which 81 are Managerial, and others being supervisory and production staff. Further it employs around 160 persons on contract basis, depending upon time-to-time job requirements.

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

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ix. KEY FINANCIAL RATIOS

Description	Financial Year		Change - Increase or Decrease	Explanation
	2025-26	2024-25		
Operating Profit Margin (PBIDT/Total Income)	0.28	0.27	3.70%	Better operation parameters achieved.
Net Profit margin (PBT/Total Income)	0.23	0.24	(4.17%)	Impact due to Additional Gratuity provision made in lieu of New Labour Codes.
Interest Coverage Ratio (EBIT/Interest Expense)	12.18	14.95	(18.53%)	Additional working capital utilized due to delay in realization.
Earnings per share	17.17	17.10	0.41%	Better operation parameters achieved.
Debt Equity Ratio	0.10	0.11	(9.09%)	Marginal increase in Cash Credit
Current Ratio	3.65	3.77	(3.18%)	Increase in Current liabilities due to impact of New Labour Codes.
Debtors Turnover	3.01	3.43	(12.24%)	Marginal increase in Trade receivables.
Inventory Turnover	1.60	1.58	1.27%	Impact of Silver Price.
Return on Capital Employed (ROCE)	0.18	0.20	(10.00%)	Impact of New Labour Codes.
Return on Net Worth	0.14	0.15	(6.67%)	Implementation of New Labour Codes.

(For Board of Directors)
N GOPALARATNAM
Chairman
(DIN:00001945)

Chennai
12th May, 2026

ANNEXURE – 2 TO BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

I. Applicability of Code of Corporate Governance

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

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

II. Board of Directors

- a. The composition of the Board is devised in a manner to have optimal blend of expertise drawn from industry, Management, Defence Services, Finance and Insurance.
- b. The Board comprises of Non – Executive, Executive and Independent Directors. The Board consists of Eight (8) Directors comprising of one Non-Executive,

Non-independent Chairman, two Executive Directors, four Independent Directors including a Woman Director and one Nominee Director as on 31st March 2026. No Director holds membership of more than 10 Committees of Board nor as Chairman of more than 5 such Committees.

- c. The Managing Director is not liable to retire by rotation. The Chairman and the other non-independent Director viz., the Director (Operations) are liable to retire by rotation and in the normal course can seek re-appointment at the AGM. Brief resume of Directors seeking reappointment is given in the Notice of the AGM.
- d. The ceiling for being Chairman / Director / Committee member of Board of Companies stipulated under the Act or Listing Regulations are complied with, for all Directors of the Company.
- e. No Director is relative of any other Director.
- f. The age of every Director, including independent Director, is above 21 years. Shareholder approval by special resolution is obtained for appointing or continuing the directorship of non-executive directors beyond 75 years of age.
- g. Pursuant to Regulation 17 (1D) of SEBI (LODR), none of the Directors are continuing in the Board for a period beyond Five years, without the approval of Shareholders in a general meeting.
- h. The Chairperson does not serve as an Independent Director in any listed entities.

ANNEXURE – 2 TO BOARD’S REPORT

III. Number of Board Meetings and Directors’ Attendance Record

Name of Director/ DIN	Date of Initial Appointment	Category	No. of Equity Shares held	Attendance at Board Meetings during 2025-26			As on 31 st March 2026 (Including HEB)			Attendance at last AGM (21.06. 2025)
				No. of Meetings Entitled to Attend	No. of Meetings attended	%	No. of Director-ships	Committee Membership		
								As Chairman	As Member	
Mr. N Gopalaratnam (DIN: 00001945)	06.06.1991	Promoter, Non-Executive Chairman	51000	5	5	100	6	2	3	YES
Dr. G.A. Pathanjali (DIN: 05297665)	30.05.2012	Managing Director	500	5	5	100	1	-	2	YES
Mr. M. Ignatius (DIN: 08463140)	01.06.2019	Director (Operations)	Nil	5	5	100	1	-	-	YES
Mrs. Lalitha Lakshmanan (DIN: 07140032)	28.05.2016	Independent	Nil	5	5	100	1	3	-	YES
Dr. Vijayamohanan K Pillai (DIN: 07308120)	22.03.2019	Independent	Nil	5	5	100	1	1	1	YES
Mr. N. P. Sinha (DIN: 07980838) (*)	28.01.2023	Nominee of Life Insurance Corporation of India	Nil	3	3	100	1	-	2	YES
Mr. Saroj Kumar Patel (Retd.) (DIN: 10474393)	01.04.2024	Independent	Nil	5	5	100	1	-	2	YES
Dr. R Subrahmaniya Sivam (DIN: 02393209)	01.04.2024	Independent	Nil	5	5	100	1	-	3	YES
Mr. C.V. Ramana (DIN: 11517220) (#)	31.01.2026	Nominee of Life Insurance Corporation of India	Nil	1	1	100	1	-	-	NA – Since appointed w.e.f. 31.01.26

(*) Life Insurance Corporation of India (LIC), vide its letter dated 13th January, 2026, nominated Mr. C V Ramana, in place of Mr. N P Sinha and the same was approved in the Board meeting held on 31st January, 2026. Accordingly, Mr. N P Sinha was ceased to be the Nominee Director of the Company with effect from 31st January, 2026, due to Nomination withdrawn by the Life Insurance Corporation of India.

(#) As per LIC’s letter dated 13th January, 2026, the Board in the meeting held on 31st January, 2026, appointed Mr. C V Ramana as Nominee Director of the Company with effect from 31st January, 2026 and the said appointment was approved by the shareholders through Postal Ballot on 24th March, 2026.

IV. Directorship in other listed entities as on 31.03.2026

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

ANNEXURE – 2 TO BOARD’S REPORT

V. Resignation of Independent Director

During the period under review, none of the Independent Directors of the Company has resigned before the expiry of his/her tenure.

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

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

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

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

VII. Directors Profile

Sl. No.	Name of Director	Skill set, expertise and competence
1	Mr. N Gopalratnam	A technocrat with rich and varied experience in project and operational management.
2	Dr. G A Pathanjali	He has a Doctorate in Chemical Engineering from Indian Institute of Technology (IIT), Mumbai with four decades of hands- on experience in the Company. He has wide experience in design cum development activities involving Silver Zinc, Nickel Cadmium and project management. He is also a member in many committees of Energy and Power sector constituted by the Government of India.
3	Mr. M Ignatius	He is an Electrical engineer having more than four decades of experience in the Company involving design and development of high-tech batteries and has coordinated with the Navy, Indian Air Force and Defense Research and Development Organization (DRDO) during Battery type approval and Qualification.

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

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Sl. No.	Name of Director	Skill set, expertise and competence
10	Mrs. Jayashree Ajit Shankar	<p>She holds academic qualification of BSc and MSc (Statistics), University of Bombay and Associate of Insurance Institute of India. She joined LIC as AAO-Direct Recruit Officer of XIIth Batch of LIC (April 1984) and retired in March 2019 as Executive Director.</p> <p>She was a Nominee Director representing LIC and served in our Board during the period from 2019 to 2022.</p> <p>Subsequently, she became a customer representative in Policy holder Protection Committee of M/s. Pramerica Life Insurance Limited for a period of three years from August 2022 to May 2025. She carries an experience over three decades in the varied areas especially Insurance, Personnel Management and Corporate Strategies.</p>

VIII. Independent Directors

- a) The Chairman is a non-executive, non-independent Director and comes under Promoter category. The number of Independent Directors is Four (04) and is one-half of the total strength of Eight (08) Directors in the Board. Any reduction in the strength of Independent Directors is filled within 3 months for ensuring the presence of minimum stipulated strength of Independent Directors in the Board.
- b) Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Regulation 17 (1A) of SEBI (LODR), approval was also obtained by way of Special Resolution stated above in the case of Directors who have completed or would be crossing 75 years of age during the tenure.
- c) Mrs. Lalitha Lakshmanan was re-appointed as Independent Director of the Company for the second term of five consecutive years with effect from April 01, 2021 at the 60th Annual General Meeting held on August 07, 2021. Her tenure expired on March 31, 2026.
- d) Dr. Vijayamohan K Pillai was re-appointed as Independent Director of the Company for the second term of five years with effect from April 01, 2024 and appointed Cmde Saroj Kumar Patel and Dr. R Subrahmaniya Sivam as Independent Directors of the Company for a fixed term of Five years with effect from April 01, 2024, by way of special resolution passed by shareholders through Postal Ballot on March 20, 2024. All the three Special Resolutions relating to the re-appointment / appointment of Independent Directors of the Company was duly passed with requisite majority.

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- e) Mrs. Jayashree Ajit Shankar was appointed as Woman Independent Director of the Company for a first term of five years with effect from April 01, 2026 to March 31, 2031, by way of special resolution passed by shareholders through Postal Ballot on March 24, 2026. The said appointment was duly passed with requisite majority.

Details of Independent Directors

Name	DIN	Particulars	Tenure of Appointment / Re-appointment	
			From	To
Mrs. Lalitha Lakshmanan	07140032	Re- appointment	01.04.2021	31.03.2026
Dr. Vijayamohan K Pillai	07308120	Re- appointment	01.04.2024	31.03.2029
Cmde Saroj Kumar Patel (Retd.)	10474393	Appointment	01.04.2024	31.03.2029
Dr. R Subrahmaniya Sivam	02393209	Appointment	01.04.2024	31.03.2029
Mrs. Jayashree Ajit Shankar	08397093	Appointment	01.04.2026	31.03.2031

- f) Independent directors are issued Letter of appointment / reappointment with their consent and the terms thereof are posted on the company website.

The company had formulated a familiarization program for Independent Directors with the objective of making them familiar with their role, rights & responsibilities, nature of the industry, business model and compliance management. The details of the Familiarization program are uploaded in the Company’s website <https://www.highenergy.co.in/>.

- g) All Independent Directors have included their names in the Directors’ data base maintained with Indian Institute of Corporate Affairs (IICA) in terms of Section 150 of the Act read with rule 6 of the Companies (Appointment of Qualification of Directors) Rules, 2014

Name of the Independent Director	Registration No. in Independent Director’s Data bank	Valid From	Valid Upto
Mrs. Lalitha Lakshmanan	IDDB-DI-202002-008609	08.02.2020	07.02.2027
Dr. Vijayamohan K Pillai	IDDB-DI-202002-014567	25.02.2020	24.02.2030
Cmde Saroj Kumar Patel (Retd.)	IDDB-NR-202401-055070	27.01.2024	26.01.2029
Dr. R. Subrahmaniya Sivam	IDDB-DI-202001-005554	18.01.2020	17.01.2027
Mrs. Jayashree Ajit Shankar	IDDB-DI-202602-088989	20.02.2026	19.02.2027

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In terms of the amended provision of Rule 6(a)(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors, except Cmde Saroj Kumar Patel, have been granted exemption from the Online Proficiency Self-Assessment test conducted by the Indian Institute of Corporate Affairs (IICA). Cmde Saroj Kumar Patel, who had enrolled in the Independent Directors’ Data bank on January 27, 2024, completed the Online Proficiency Self-Assessment test on January 07, 2025 (before the due date to complete the assessment i.e., January 26, 2026) thereby complying with the statutory requirements.

Mrs. Jayashree Ajt Shankar is exempted from undertaking the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs.

- h) All the Independent directors have given the declaration affirming that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013 and that they are Independent of the management. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated which

could impair or impact their ability to discharge their duties. They further declared that they meet the criteria of independence as provided in Section 149 (6) of the Act and have complied with relevant provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

- i) In the opinion of the Board, (i) all the Independent Directors fulfill the conditions for being appointed as Independent Director as specified in the Act and Listing Regulations (ii) they possess the integrity and expertise, and have the experience required for their role as independent director of the company.
- j) No Independent Director had resigned from the directorship of the company before the expiry of the term of appointment during the Financial Year ended 31st March 2026.
- k) **Directors and Officers (D&O) Liability Insurance:** The Company has proactively taken Insurance Cover for Directors and Officers (D&O), covering both independent and non-independent Directors, for such sum and risks as determined necessary and expedient by the Board.

IX. Board Process

(a) Board Meeting

The Board meeting dates for the entire financial year are tentatively fixed before start of the year. An annual calendar of

ANNEXURE – 2 TO BOARD'S REPORT

Board / Committee meetings is circulated to facilitate Directors plan their schedules for attending the meetings.

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

During the FY 2025 – 26, Five (5) Board Meetings were held on May 10, 2025, July 19, 2025, October 25, 2025, January 31, 2026 and March 28, 2026. All meetings were held in Physical mode and VC facility is provided whenever requested by any Director. Interval between any two meetings was not more than 120 days. However, the consent to conduct the meetings in VC mode, were received from the Directors along with their Annual Declaration documents.

(b) Board Proceedings

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

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

During FY 2025 – 26, the Board has accepted all the recommendations of the Committees of the Board that are mandatorily required.

X. Board Committees

(a) Audit Committee Meetings

The Audit Committee comprises of Non-Executive Directors with more than two-third being independent Directors. The Chairman of Audit Committee is an Independent Director and is present at the Annual General Meetings (AGM) of the Company.

The Committee is entrusted with the responsibility of supervising the Company's internal controls and financial reporting process. It meets at regular intervals not exceeding 120 days between any two meetings and subject to a minimum of 4 times in a financial year.

Chairman of the Company duly assisted by MD, Director (Operations) and CFO are present as invitees, while statutory auditors and internal auditors are present in most of the meetings as required. The Company Secretary acts as the Secretary of the Audit Committee.

The Audit Committee conforms to Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations, 2015, in all respects concerning its constitution, meetings, functioning, role and powers, mandatory review of required information, approved related party transactions and accounting treatment

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for major items. Appointments of auditors are done on the recommendations of the Audit Committee. Further, the committee mandatorily reviews the information and discusses other items, envisaged in Part C of Schedule II of SEBI (LODR) Regulations, 2015, as and when applicable.

During the FY 2025 – 26, the Committee met 5 times on May 10, 2025, July 19, 2025, October 25, 2025, January 31, 2026 and March 28, 2026. All meetings were held in Physical mode and VC facility is provided whenever requested by any Director.

Details of the composition of the Audit Committee and attendance during FY 2025 – 26 are given hereunder: -

Name of Member	Status	Attendance at Meetings	
		No.	%
Mrs. Lalitha Lakshmanan ^(*)	Chairman of the Committee	5	100
Mr. N P Sinha ^(*)	Member	3	100
Cmde Saroj Kumar Patel	Member	5	100
Dr. R Subrahmaniya Sivam	Member	5	100

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

^(*) Mrs. Lalitha Lakshmanan tenure was completed on March 31, 2026 and with effect from April 01 2026, Dr. R Subrahmaniya Sivam was re-designated as Chairman of the Committee.

^(*)(*) Mr.N P Sinha was ceased to be the Nominee Director of the Company due to Nomination withdrawn by the Life Insurance Corporation of

India and the same was approved in the Board meeting held on 31st January, 2026. Accordingly he did not attend the meetings held on January 31, 2026 and March 28, 2026. Further, with effect from April 01, 2026, Mr. C V Ramana and Mrs. Jayashree Ajit Shankar were appointed as members of the Audit Committee.

(b) Nomination and Remuneration Committee (NRC)

Pursuant to Section 178 of the Companies Act, 2013, and Regulation 19 of the SEBI (LODR) Regulations, 2015, NRC comprises of 3 Non-Executive and Independent Directors. The Chairman of the Committee is an Independent Director and is present at the AGM of the company. As envisaged in Para A of Part D of Schedule II of SEBI (LODR) Regulations, 2015, the Nomination and Remuneration Committee is vested with all the necessary powers and authority to ensure the criteria for:

- a) Formulation of criteria for determining qualifications, positive attributes and independence of a director.
- b) Recommending to the Board a remuneration policy for directors, key managerial personnel.
- c) To evaluate Independent Director on balance of skills, knowledge and experience on the Board for their appointment.
- d) formulation of criteria for evaluation of Independent Directors and the Board.
- e) Recommend for extension or continuation of the term of

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appointment of the independent Director on the basis of performance evaluation of such Director.

- f) Devising a policy on diversity of Board of Directors.
- g) Identifying candidates who are qualified to become Directors (including Executive, Non-Executive and Independent Directors) of the Board and who may be appointed as KMP and senior management, in accordance with the criteria laid down and recommend to the Board regarding their appointment and removal.
- h) To decide whether to extend or continue the term of appointment of the Independent Director, on the basis of performance evaluation of Independent Directors.

Pursuant to Regulation 19(1) of SEBI (LODR), the Committee meets at least once in a financial year. However, the Committee met 4 times during the FY 2025 – 26, on May 10, 2025, January 31, 2026, February 20, 2026 and March 28, 2026. Out of this, one meeting dated February 20, 2026 was conducted through Video Conference (VC), in due compliance of Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014. All other meetings were held in Physical mode and VC facility is provided whenever requested by any Director.

Details of the Composition of the NRC and attendance during FY 2025 – 26 are given hereunder: -

Name of Member	Status	Attendance at Meetings	
		No.	%
Mrs. Lalitha Lakshmanan (*)	Chairman of the Committee	4	100
Dr. Vijayamohanam K Pillai	Member	4	100
Dr. R Subrahmaniya Sivam	Member	4	100

(*) Mrs. Lalitha Lakshmanan tenure was completed on March 31, 2026 and with effect from April 01, 2026, Dr. R Subrahmaniya Sivam was re-designated as Chairman of the Committee. Further, with effect from April 01, 2026, Mrs. Jayashree Ajit Shankar was appointed as member of the Audit Committee.

(c) Stakeholders Relationship Committee (SRC)

Pursuant to Section 178 of the Companies Act, 2013, and Regulation 20 of the SEBI (LODR) Regulations, 2015, read with Para B of Part D of Schedule II of SEBI (LODR) Regulations, 2015, the Stakeholders Relationship Committee’s role and responsibility includes expeditious processing and approval of transactions in securities, compliance with the Act and SEBI regulations, review of measures taken for effective exercise of voting rights by shareholders and redressal of investor grievances. The Committee further oversees and monitors the performance of the Registrar & Share Transfer Agent in accordance with service standards adopted by the company and devises measures for overall improvement in the quality of investor services. The committee also oversees the nature of

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complaints received from its investors along with the reply provided by the Company.

The Committee took initiatives related to resolution of grievances of the shareholders related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of duplicate certificates and all these are reviewed at the committee meetings held during FY 2025 – 26.

The Committee also took initiatives for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend /annual reports/statutory notices by the shareholders of the company. Further, the committee seeks the opinion of legal counsel to ensure the veracity of the documents, before approving the transmission related requests.

The Committee comprises of 3 Directors, of which one is an Independent Director. The Chairman of the Committee is a Non-Executive Director and is present at the Annual General Meeting (AGM) of the Company. Pursuant to Regulation 20(3A) of SEBI (LODR), the Committee meets at least once in a financial year and during the FY 2025 – 26, the Committee met 3 times on July 16, 2025, October 22, 2025 and January 28, 2026. All these meetings were held through Video Conference (VC).

The Circular Resolutions passed by the committee are duly ratified in the ensuing meeting and the details are provided in clause (f) mentioned below.

The Board at its 354th meeting held on July 19, 2025, approved the re-constitution of the Committee by re-designating Mrs. Lalitha Lakshmanan as Chairperson of the Committee and re-designating Mr. N Gopalaratnam, Chairman of the Committee as Member of the Committee. The said re-constitution was intimated to the Bombay Stock Exchange on July 19, 2025 to comply with Regulation 30 of SEBI (LODR), 2015.

Details of the composition of the SRC and attendance during FY 2025 – 26 are given hereunder: -

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

(*) Mrs. Lalitha Lakshmanan tenure was completed on March 31, 2026 and with effect from April 01, 2026, Mrs. Jayashree Ajit Shankar was appointed as member of the Stakeholder Relationship Committee.

Mr. V Anantha Subramanian, Company Secretary is the Compliance Officer.

The Company has put in place an adequate system for expeditious redressal of investor complaints. Status of investor complaints is shown in the Shareholder Information section of this Report under “Other Compliances”.

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Quarterly reports on the compliance of investor grievances are filed with the stock exchange. Annual compliance certificates signed by both the company and the Registrar & Share Transfer Agent are filed within 30 days from the end of the financial year.

(d) Corporate Social Responsibility (CSR) Committee

The Company is covered under Section 135 of the Companies Act, 2013 for FY 2025 – 26. As against the CSR obligation of ₹ 49.71 lakhs (after setting-off excess expenditure of ₹ 1.06 lakhs incurred during FY 2024 – 25) for the FY 2025 – 26, the Company has spent ₹ 52.27 lakhs in the areas specified under Schedule VII of the Act. The details of the CSR expenditure are described in the Annual CSR Report as **Annexure – 4**, which forms part of this report.

The Committee comprises of five Directors, of which three of them are Independent Directors. The Chairman of the Committee is an Independent Director and is present at the Annual General Meeting (AGM) of the Company. During the FY 2025 – 26, the Committee met 4 times on May 06, 2025, July 15, 2025, October 21, 2025, and January 27, 2026 and all the meetings were conducted through Video Conference (VC) / Other Audio-Visual Means (OAVM).

Details of the composition of CSR Committee and attendance during FY 2025 – 26 are given hereunder: -

Name of Member	Status	Attendance at Meetings	
		No.	%
Dr. Vijayamohan K Pillai	Chairman of the Committee	4	100
Dr. G A Pathanjali	Member	4	100
Mr. N P Sinha (*)	Member	4	100
Comde Saroj Kumar Patel	Member	4	100
Dr. R Subrahmaniya Sivam	Member	4	100

(*) Mr.N P Sinha was ceased to be the Nominee Director of the Company due to Nomination withdrawn by the Life Insurance Corporation of India and the same was approved in the Board meeting held on 31st January, 2026. Mr. C V Ramana, Nominee Director of LIC was appointed as member of the committee with effect from April 01, 2026

(e) Senior Management Personnel

Details of Senior Management Personnel (SMP) as defined in SEBI (LODR) Regulations, 2015 for FY 2025-26:

Name	Designation
Mr. R. Swaminathan	Chief Financial Officer
Dr. Bala Srinivasan	Senior General Manager (Operations)
Mr. S Arunachalam	General Manager (Sales)
Mr. S Sriram	General Manager (Finance & Accounts)
Mr. V Anantha Subramanian	Company Secretary & Compliance Officer

ANNEXURE – 2 TO BOARD’S REPORT

(f) Board / Committee Meeting Minutes

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

(g) Circular Resolution

Circular resolution is made in exceptional and urgent cases that are recorded at the succeeding Board/Committee Meetings. During the FY 2025 – 26, two circular resolutions were passed by the Stakeholder Relationship Committee and one circular resolution was passed by the Board.

Circular Resolution passed by the Stakeholders Relationship Committee

- (a) On July 23, 2025, the Stakeholder Relationship Committee passed a Circular resolution for approving transmission of Shares.
- (b) On December 31, 2025, the Stakeholder Relationship Committee passed a Circular resolution for change of Name cum Demat of Shares.

Circular Resolution passed by the Board

- (a) On February 20, 2026, the Board of Directors passed Circular resolution for below matters:
 - To consider the recommendation of the Nomination and Remuneration

Committee related to the Appointment of Mrs. Jayashree Ajit Shankar (DIN: 08397093) as Woman Independent Director of the Company.

- To approve the Postal Ballot notice seeking the approval of shareholders for Re-appointment of Dr. GAPathanjali (DIN:05297665) as Managing Director of the Company; Appointment of Mr. C V Ramana (DIN:11517220) as Nominee Director of LIC and Appointment of Mrs. Jayashree Ajit Shankar (DIN: 08397093) as Woman Independent Director of the Company.
- To appoint Mr. A S Kalyanaraman, Practicing Chartered Accountant as the Scrutinizer and engaging CDSL as the service provider for Remote e-Voting facilities and the Schedule of events for Postal Ballot.

XI. Governance Process & Policies

(i) Policy on Director’s Appointment & Remuneration

The Board on the recommendations of the Nomination and Remuneration Committee meeting held on March 26, 2015 had approved the Nomination and Remuneration Policy. It inter alia deals with the manner of selection of Board of Directors, Managing Director, Key Managerial Personnel (KMP) and fixing their remuneration. This policy is framed as per Section 178(3) of the Companies Act, 2013. The said policy was reviewed and amended on May 10, 2025.

ANNEXURE – 2 TO BOARD’S REPORT

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 SEBI (LODR) Regulations, 2015.
- d) The Committee will ensure that the candidate identified for appointment as a director is not disqualified in any manner under Section 164 of the Companies Act, 2013.
- e) In the case of reappointment of non-independent director(s), the Board will take into consideration the performance evaluation of the Director(s) and their engagement level.

2. Remuneration Policy

Pursuant to Section 178 (4) of the Companies Act, 2023, the remuneration policy ensures that;

- a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c) remuneration to Directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

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.

Further, the remuneration policy seeks to ensure that performance is recognized and achievements are rewarded.

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The Policy has been uploaded in the Company’s website at <https://www.highenergy.co.in/wp-content/uploads/2025/05/Nominationa-and-Remuneration-Policy-4.pdf>.

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

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

- a) Managing Director and Director (Operations) are the Executive Directors, entitled for managerial remuneration.
- b) On the recommendation of the Nomination and Remuneration Committee, the Board in its Meeting held on March 28, 2026 approved the payment of commission of ₹ 36 lakhs to the Managing Director for the financial year 2025 – 26, in addition to the salary and perquisites. This is in compliance, as per the resolution approved by the members at the 62nd Annual General Meeting held on June 24, 2023.
- c) On the recommendation of the Nomination and Remuneration Committee, the Board in its Meeting held on March 28, 2026 approved the payment of commission of ₹ 24 lakhs to Director (Operations)

for the financial year 2024 – 25, in addition to the salary and perquisites. This is in compliance, as per the resolution approved by the members through Postal Ballot on March 19, 2025.

- d) Mr. R Swaminathan, Chief Financial Officer (CFO) and Mr. V. Anantha Subramanian, Company Secretary are the other Key Managerial Personnel.
- e) No Director or his relative holds an office or place of profit in the Company. Other than direct or indirect equity holding and sitting fee, there is no pecuniary relationship or transaction between the company and its non-executive directors. No Stock option is issued by the company to executive directors.
- f) Non-Executive Directors are paid sitting fee as ₹ 30,000/- per meeting of Board or any Committees thereof. Pursuant to the approval of shareholders at its 62nd AGM, commission of ₹ 3.50 lakhs would be paid to each Non-Executive Director who have been in office for the Financial Year 2025 – 26.

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

The same may be treated as required disclosure under Para IV Section II – Part II of the Schedule V to the Companies Act, 2013 and Clause (6) of Para C of Schedule V to SEBI (LODR) Regulations, 2015.

ANNEXURE – 2 TO BOARD’S REPORT

The details of amount paid to Non-Executive Directors during the year by way of sitting fee for attending the Board / Committee Meetings of the Company and the Commission paid thereof are as under: -

(In Rupees)

Director	Sitting Fee for		Total
	Board Meeting	Committee Meeting (*)	
Mr. N Gopalaratnam	1,50,000	90,000	2,40,000
Mrs. Lalitha Lakshmanan	1,50,000	3,60,000	5,10,000
Dr. Vijayamohanan K Pillai	1,50,000	2,40,000	3,90,000
Mr. N. P. Sinha – Nominee of LIC (upto 31.01.26)	90,000	2,10,000	3,00,000
Cmde. Saroj Kumar Patel (Retd.)	1,50,000	2,70,000	4,20,000
Dr. R. Subrahmaniya Sivam	1,50,000	3,90,000	5,40,000
Mr. C V Ramana – Nominee of LIC (from 31.01.26)	30,000	-	30,000
Total	8,70,000	15,60,000	24,30,000
(+) Commission paid for the FY 2025 – 26			21,00,000
Grand Total			45,30,000

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

(ii) Performance Evaluation

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

- Subject of Evaluation
- Evaluation of Board process
- Frequency of Board Evaluation
- Responsibility of Board Evaluation
- Review of Board Evaluation
- Evaluation of Committees
- Individual Evaluation of Board members and the Chair person

- Individual Evaluation of Independent Directors

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

The Nomination and Remuneration Committee during the year evaluated the performance of all directors at its meeting held on March 28, 2026.

The Director whose performance is being evaluated did not participate during that part of the meeting. The Committee had expressed overall satisfaction on such evaluation. All the Independent Directors were present at this meeting.

ANNEXURE – 2 TO BOARD'S REPORT

The Board at its meeting held on March 28, 2026 evaluated the performance of each of the Independent Directors (excluding the Independent Director being evaluated) and recorded its overall satisfaction and decided in terms of Para VIII (2) of Schedule IV to the Act that all the four Independent Directors be continued for their residual term in the office of Independent Director approved by the shareholders.

Further the Board evaluated the functioning of each of the Committees and evaluated its own performance on the basis of the criteria approved by the Nomination and Remuneration Committee and there was no specific observation made during Board evaluation.

The Independent Directors in their exclusive meeting held on March 28, 2026 did the evaluation on the performance of Chairperson, Managing Director, non-independent directors and the Board as a whole and expressed overall satisfaction. All the independent directors were present during the meeting.

(iii) Insider Trading

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

- i) Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (Reg 8); and
- ii) Minimum Standards for Code of Conduct to Regulate, Monitor and

Report Trading by Designated Persons (Reg 9).

The Policy has been uploaded in the Company's website at <https://www.highenergy.co.in/wp-content/uploads/2025/05/Principles-of-Fair-Disclosure-1.pdf>

<https://www.highenergy.co.in/wp-content/uploads/2025/05/Code-of-Conduct-1.pdf>

These codes apply to all directors and designated persons. It is hereby affirmed that all directors and designated persons have complied with the codes as applicable during FY 2025 – 26 and a confirmation to this effect was obtained from each of them.

The trading window shall remain closed during the period when designated persons in terms of the Regulations can reasonably be expected to have possession of unpublished price sensitive information (UPSI). In any event, the trading window shall remain closed from the end of every quarter till 48 hours after declaration of financial results. Periodic Intimation of this is given to stock exchange and a system generated alert is sent to the Company's Directors and Designated persons of the Company, including their immediate relatives.

The company on its own is maintaining a Structured Digital Database (SDD) containing the details of persons/ entities with whom unpublished price sensitive information is shared. This database is maintained with adequate controls and

ANNEXURE – 2 TO BOARD’S REPORT

checks such as time stamping and audit trails to ensure that the database cannot be tampered. Further, to comply with the statutory requirements, the said SDD was installed in a ‘standalone’ system and the server is available within the company premises to ensure safety and tamperproof.

The Company Secretary is designated as the Compliance officer of the Company for this purpose.

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

No complaint under the Insider Trading Regulations was received during the FY 2025 – 26.

(iv) Code of Conduct

The Board had formulated a Code of Conduct for Directors and Senior Management Personnel of the Company which is posted in our Company website at www.highenergy.co.in. All the Directors and Senior Management Personnel had complied with the Code and a confirmation to this effect was obtained from them individually for FY 2025 – 26.

Further, the Senior Management personnel have declared to the Board that no material, financial or commercial transactions were entered into by them during FY 2025 – 26, where they have personal interest that may have a potential conflict with the interest of the Company at large.

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

(v) Related Party Transactions (RPT)

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

RPTs during FY 2025-26 are disclosed in Note No 36 (D) of the Financial Statements that includes transactions with entity belonging to the promoter

ANNEXURE – 2 TO BOARD'S REPORT

holding more than 10% shareholding in the company in accordance with the relevant accounting standards.

All RPTs have the prior approval of Audit Committee. The Audit Committee at its meeting held on March 10, 2025 gave its approval for RPTs during FY 2025 – 26. However, on Half Yearly basis the Related Party Transaction details were placed before the Audit Committee for ratification.

The Company in terms of Regulation 23 of the SEBI (LODR) Regulations, 2015, submits within the stipulated time on the date of publication of its standalone financial results for the half year, disclosure of related party transactions in the specified format to the Stock Exchanges. The said disclosure is available on the website of the company.

None of these transactions is likely to have a conflict with the company's interest. The Company in terms of Regulation 23 of the SEBI (LODR) Regulations, 2015 submits within the stipulated time on the date of publication of its standalone financial results for the half year, disclosure of related party transactions in the specified format to the Stock Exchange (BSE). The said disclosure is available on the website of the company. None of the directors had any pecuniary relationships or transactions vis-à-vis the company other than those duly disclosed.

Pursuant to the Fifth amendment in SEBI (LODR), Regulations, 2015 dated December 19, 2025, a transaction with a related party shall be considered material, if the transaction(s) to be

entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the Company if the turnover does not exceed ₹ 20,000 Crore. Thus, the approval from Shareholders does not arise for the transactions entered by the Company.

Pursuant to Regulation 23 of the SEBI (LODR) Regulations, 2015, the RPT policy is reviewed by the Board, once in 3 years and was last amended in May 10, 2025. The Policy has been uploaded in the Company's website at <https://www.highenergy.co.in/wp-content/uploads/2025/05/RPT-Policy-1.pdf>

(vi) Risk Management

The company has a robust risk management framework to identify and evaluate business risks and opportunities. It seeks to create transparency, minimize adverse impact on the business objective and enhance the company's competitive advantage. It aims at ensuring that the executive management, controls the risk through a properly defined framework.

The company has laid down appropriate procedures to inform the Board about the risk assessment and minimization procedures. The Board periodically revisits and reviews the overall risk management plan for making desired changes in response to the dynamics of the business. Pursuant to the Regulation 21(5) of SEBI (LODR) Regulations, 2015, the company is not currently required to constitute a Risk Management Committee.

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(vii) Whistle Blower Policy

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

The Policy was reviewed by the Board and amended in May 10, 2025. The Policy has been uploaded in the Company’s website at the following link <https://www.highenergy.co.in/wp-content/uploads/2025/05/Whistle-Blower-Policy-1.pdf>

No complaint under this facility was received in FY 2025 – 26.

(viii) Policy for Prevention of Sexual Harassment of Women at Workplace

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

The main objective of the Act is to provide:

- Protection against and Prevention of sexual harassment at workplace
- Redressal of complaints of sexual harassment

The Company as an equal employment opportunity provider is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity. Sexual harassment at the work place or other than work place, if involving employees, is a grave offence and is, therefore, punishable.

Number of complaints received and resolved in relation to Sexual Harassment of Women at Workplace (Prevention, Protection, and Redressal) Act, 2013: during the year under review and their breakup is as under:

- a) No. of Complaints received during the year : **NIL**
- b) No. of Complaints disposed off during the year: **NIL**
- c) No. of Complaints pending for more than 90 days at the end of FY 2025 - 26 : **NIL**

The Policy has been uploaded in the Company’s website at <https://www.highenergy.co.in/wp-content/uploads/2025/05/POSH-Policy-1.pdf>

(ix) Document preservation

Pursuant to Regulation 9 of the SEBI (LODR), the company has formed a policy for preservation of records. This policy covers all corporate records of the company whether in paper or digital

ANNEXURE – 2 TO BOARD’S REPORT

form and applies to all departments and business functions of the company. The preservation of documents as per the requirements of SEBI (LODR) Regulations, 2015, is done continuously.

The Policy has been uploaded in the Company’s website at <https://www.highenergy.co.in/wp-content/uploads/2025/05/Preservation-of-documents-policy-1.pdf>

XII. Other Compliances

(a) Management Discussion and Analysis

Management Discussion and Analysis Report is made in conformity with Regulation 34(2) (e) of the SEBI (LODR) Regulations, 2015 and is attached to the Board’s Report forming part of the Annual Report of the Company.

(b) Quarterly Financial Results

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Quarterly Financial Results (Audited / Unaudited) are approved by the Board on the recommendations of the Audit Committee. These are filed with Stock Exchange (BSE) through online, after the conclusion of the Board Meeting besides publication of the abstract of the results with Quick Response (QR) codes in the dailies, as required, within the

stipulated time. These are also posted immediately on the company’s website www.highenergy.co.in.

(c) Quarterly Compliance Report

The Company had submitted for each of the four quarters during FY 2025 – 26, the Integrated Filing (Governance) to Stock Exchange, within the time limit stipulated, from the close of each quarter.

(d) Disclosure of material events or information

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015, the company discloses the information/events specified under Schedule III of the Listing Regulations to the Stock Exchange, within the stipulated time.

SEBI has issued Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/25 dated February 25, 2025, regarding industry Standards on Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company made disclosures under Regulation 30 based on the said circular.

Disclosure of certain types of agreements binding listed entities – The Company has not entered into any agreements under clause 5A of paragraph A of Part A of Schedule III SEBI Listing Regulations.

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The disclosures made by the company to stock exchanges during the year includes the following:

Sl. No.	Date	Disclosure
1	May 10, 2025	Outcome of the Board Meeting – Re-appointment of Mr. R Swaminathan, as Chief Financial Officer (CFO) of the Company and recommendation for appointment of M/s. V Suresh Associates, Practicing Company Secretaries as Secretarial Auditor of the company for a term of Five (05) consecutive years from FY 2025 – 26 to FY 2029 - 30.
2	June 01, 2025	Intimation related to dispatch of letter to identified shareholders who have not registered their email address with the Company/RTA/DP by providing the web-link, including the exact path, where complete details of the Annual Report for FY 2024 – 25.
3	July 04, 2025	Intimation related to dispatch of letter to identified shareholders of physical securities informing them to furnish their PAN and KYC details with RTA/Company.
4	July 04, 2025	Intimation related to dispatch of letter to identified shareholders of physical securities informing them to furnish their PAN and KYC details with RTA/Company for receiving the dividend of the Company for FY 2024 – 25 through electronic mode.
5	July 19, 2025	Intimation related to reconstitution of Stakeholder Relationship Committee.
6	August 21, 2025	Submission of report on Re-lodgment of Transfer requests of Physical shares for the month ended 31 st July, 2025.
7	August 21, 2025	Submission of first Progress Report with IEPF Authority (IEPFA) on 100 Days Campaign titled “Saksham Niveshak”.
8	August 29, 2025	Intimation of Changes in Credit Rating of the Company
9	September 11, 2025	Submission of report on Re-lodgment of Transfer requests of Physical shares for the month ended 31 st August, 2025.
10	September 16, 2025	Submission of second Progress Report with IEPFA on 100 Days Campaign titled “Saksham Niveshak”.
11	September 29, 2025	Newspaper Advertisement regarding Intimation of 100 Days Campaign –“Saksham Niveshak”.
12	October 10, 2025	Submission of third Progress Report with IEPFA on 100 Days Campaign titled “Saksham Niveshak”.

ANNEXURE – 2 TO BOARD’S REPORT

Sl. No.	Date	Disclosure
24	October 13, 2025	Submission of report on Re-lodgment of Transfer requests of Physical shares for the month ended 30 th September, 2025.
14	October 18, 2025	Newspaper Advertisement of Special Window for Re-lodgement of Transfer requests of Physical shares.
15	November 11, 2025	Submission of report on Re-lodgment of Transfer requests of Physical shares for the month ended 31 st October, 2025.
16	November 11, 2025	Filed Final Report (Campaign Summary & Outcomes) with IEPFA on 100 Days Campaign titled “Saksham Niveshak”.
17	December 12, 2025	Submission of report on Re-lodgment of Transfer requests of Physical shares for the month ended 30 th November, 2025.
18	January 12, 2026	Submission of report on Re-lodgment of Transfer requests of Physical shares for the Period from December 01, 2025 to January 06, 2026.
19	January 31, 2026	Intimation of Re-appointment of Dr. G A Pathanjali as Managing Director and appointment of Mr. C V Ramana as Nominee Director of LIC in place of Mr. N P Sinha.
20	February 20, 2026	Intimation of circular resolution passed by the Board Directors approving the appointment of Mrs. Jayashree Ajit Shankar (DIN: 08397093) as Woman Independent Director of the Company for a first term of five years from April 01, 2026 to March 31, 2031, not liable to retire by rotation, subject to the approval of the shareholders and the postal ballot notice to seek the shareholders’ approval for Reappointment of Dr. GAPathanjali (DIN:05297665) as Managing Director of the Company, Appointment of Mr. C V Ramana (DIN:11517220) as Nominee Director of the Company and Appointment of Mrs. Jayashree Ajit Shankar (DIN: 08397093) as Woman Independent Director of the Company.
21	February 21, 2026	Dispatch of Postal Ballot Notice to the shareholders of the company.
22	March 24, 2026	Intimation of of Voting Results of the Postal Ballot of the Company along with the Scrutinizer’s Report on Postal Ballot through E-Voting.

ANNEXURE – 2 TO BOARD’S REPORT

Sl. No.	Date	Disclosure
23	March 28, 2026	Intimation of Change in Woman Independent Director of the Company with effect from 01 st April, 2026.
24	March 28, 2026	Intimation of reconstitution of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship committee and Corporate Social Responsibility Committee.

(e) SCORES and SMART ODR (Online Dispute Resolution)

SEBI requires all listed companies to process Investor complaints in a centralized web-based complaint system called “SEBI Complaints Redressal System” (SCORES). All complaints received from shareholders of listed companies are posted in this system. Investors can lodge complaints only through SCORES from 01.04.2024. Listed companies are advised to view the complaints and submit Action Taken Report (ATR) with supporting documents in SCORES. Further, investor/client can directly initiate dispute resolution through the ODR Portal. No Investor Complaint were received in SCORES and ODR during FY 2025 – 26.

(f) Accounting Treatment

In the preparation of Financial Statements, the Company has followed similar accounting treatment like previous year (FY 2024 – 25) and due compliance is ensured as per the prescribed and applicable Indian Accounting Standards (Ind AS).

(g) Cost Audit

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

(h) Reconciliation of Share Capital

Reports/Certificates to Stock Exchange

Description	Frequency	For the Quarter ended	Furnished on
Reconciliation of Share Capital Audit Report to Stock Exchange on the total admitted Capital with NSDL/ CDSL and the total issued & Listed Capital	Quarterly	30.06.2025	12.07.2025
		30.09.2025	28.10.2025
		31.12.2025	24.01.2026
		31.03.2026	28.04.2026

ANNEXURE – 2 TO BOARD’S REPORT

(i) Secretarial Standards & Secretarial Audit

Pursuant to Section 118 (10) of the Companies Act, 2013 every company shall observe secretarial standards with respect to general and Board meetings as specified by the Institute of Company Secretaries of India. The company had complied with all applicable Secretarial Standards during FY 2025 – 26.

Pursuant to Section 204(1) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company appointed M/s. V Suresh Associates, Practicing Company Secretaries ((bearing Firm Registration No. P2016TN053700, Peer Review Cert.No.6366/2025, valid till January 31, 2030) to undertake the secretarial audit of the company for FY 2025 – 26. The Secretarial Audit Report was placed before the Board on May 12, 2026 and there is no qualification therein. It is enclosed as **Annexure – 6** to Board’s Report.

(j) Annual Secretarial Compliance Certificate

As per Regulation 24 (A) of SEBI (LODR) Regulations, 2015, all the Listed Companies to file Annual Compliance Certificate signed by Secretarial Auditor or a peer reviewed Company Secretary with Stock Exchange within 60 days of the end of the financial year. The Company obtained the certificate from M/s. V Suresh Associates, Secretarial Auditor that will be filed with the Stock Exchange in time.

(k) Internal Auditor

Pursuant to Section 138(1) of the Companies Act, 2013 the company has appointed M/s. R Subramanian and Company LLP (Firm Regn.No.004137S/S200041), Chartered Accountants, Chennai to conduct internal audit of the functions and activities of the company for FY 2025 – 26. The Internal Auditor reports directly to the Audit Committee.

(l) Certificate on “No Disqualification”

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

(m) Auditors’ Certificate on Corporate Governance

Certificate of Statutory Auditors, M/s. Maharaj N R Suresh And Co LLP, obtained on the compliance of conditions of Corporate Governance in deference to Para C, D and E of Schedule V of the SEBI (LODR) Regulations, 2015, is annexed as **Appendix – 3**.

(n) CEO and CFO certification

CEO certification by Dr. G A Pathanjali, Managing Director and CFO certification by Mr. R Swaminathan, Chief Financial Officer as required under Regulation 17 (8) of the Listing Regulations were placed before the Board at its meeting on

ANNEXURE – 2 TO BOARD’S REPORT

May 12, 2026. The certification has been enclosed as **Appendix – 4**.

(o) Review of Directors’ Responsibility Statement

The Board in its Report had confirmed that the annual accounts for the year ended March 31, 2026 have been prepared as per applicable accounting standards and policies, and that sufficient care has been taken for maintain adequate accounting records.

(p) Subsidiary Companies

The Company has no subsidiary.

(q) Deposits

The company has not accepted deposits from the Public.

(r) Peer review of Auditors

Regulation 33 (1) (d) of the SEBI (LODR) Regulations, 2015 stipulates that Limited review/ Audit reports shall be given only by an Auditor who has subjected himself to the Peer review process and holds a valid certificate issued by the Peer Review Board of the ICAI.

The Statutory Auditors of the Company M/s. Maharaj N R Suresh and Co LLP have undergone the peer review process and obtained the certificate. The Peer Review certificate (No: 015833, valid till September 30, 2026) was placed on May 12, 2026, before the Audit Committee.

(s) Statutory Auditor’s fees for FY 2025 – 26

Details are furnished in Note No.31 of Financial Statements. No fee or other

sum was paid during the year to any entity in the network firm/ network entity of which the statutory auditor is a part.

(t) Those Charged with Governance (TCWG) and Auditors

Pursuant to the circular dated 07.01.2026 issued by National Financial Reporting Authority (NFRA), the Board of Directors at their meeting held on March 28, 2026, approved the broad framework between Those Charged With Governance (TCWG) and Auditors.

(u) Discretionary requirements

(1) Shareholders’ Rights

Quarterly Financial Results are posted on the Company’s website and the summary of the results are published in the newspapers both in English and in Vernacular language (Tamil).

(2) Audit Qualifications

The Company has ensured to remain in the regime of unqualified financial statements. Annual financial results for FY 2024-25 are being filed with the stock exchanges along with the declaration by the Managing Director confirming that the Auditors’ Report on Annual Financial Results containing unmodified opinion.

(3) Separate posts of Chairperson and the Managing Director

The Company has appointed separate person as Chairman and the Managing Director. The Chairman is non-executive and is not related to the Managing Director.

ANNEXURE – 2 TO BOARD’S REPORT

(4) Woman Independent Director

The Company has woman independent director, Mrs. Lalitha Lakshmanan on the Board, as Independent Director was completed by March 31, 2026, Accordingly, Mrs. Jayashree Ajit Shankar was appointed as Woman Independent Director with effect from April 01, 2026.

(v) Disclosures

1. No strictures / penalties had been imposed on the company by the Stock Exchanges or SEBI or any statutory authority on any matters related to the capital market during the last 3 years.
2. No significant and material orders were passed by the Regulators, Courts or Tribunals impacting the “going concern status” and / or the company’s operations in future.
3. SEBI has mandated the inclusion of Business Responsibility Reports as part of the Annual Reports for listed entities that is currently applicable for top 1000 listed entities. Our company is not within the list of Top 1000 listed entities.
4. SEBI has mandated formulation of Dividend Distribution Policy for top 1000 listed entities and disclosure of the same in the Annual Reports and websites of the company. Though our company is not currently covered

by this, efforts are taken to regularly pay dividend to our shareholders, since FY 2020 – 21.

5. The Company opened an “Unclaimed Suspense Account” to transfer the Unclaimed shares relating to Sub-division of shares. Also, the details of Unpaid and Unclaimed dividend from FY 2020 – 21 till FY 2024 – 25 are updated by the Company. Both the details are available under the section “Unpaid Dividend” in the website of our company <https://www.highenergy.co.in/investor-info/>.

(w) Website

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

XIII. Means of Communication

(a) Intimation of Board Meeting

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

ANNEXURE – 2 TO BOARD’S REPORT

(b) Audited / Unaudited Financial Results

Period	Date of Approval by the Board	Date of Publication	Newspaper
Quarter ended 30 th June, 2025(*)	19.07.2025	21.07.2025	English: Business Standard Tamil: Makkal Kural
Quarter ended 30 th September, 2025(*)	25.10.2025	27.10.2025	
Quarter ended 31 st December, 2025(*)	31.01.2026	02.02.2026	
Year ended 31 st March, 2026(**)	12.05.2026	13.05.2026	English: Business Standard Tamil: Maalai Malar
*Unaudited **Audited			

The Company files the financial results both in PDF and XBRL formats to the Stock Exchange (BSE) immediately after the conclusion of the Board Meeting.

The Company will continue to publish extract of Quarterly / Half yearly financial results in the Newspapers as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Full format of the Financial Results are made available on the Stock Exchange Website (<https://www.bseindia.com/>) and concurrently in our Company Website (<https://www.highenergy.co.in/>) upon approval by the Board of Directors.

No presentation was made during the year to institutional investors or analysts. The Company has no agreement with any media company for public dissemination of its corporate information.

(c) General Shareholder Information

(i) Details for 65th AGM

Day, Date and Time	Saturday, the June 27, 2026 at 11.00 A.M
Mode	Participation through Video Conference (VC)/ Other Audio-Visual Means (OAVM)
Deemed Venue	Registered office of the Company
Book Closure	From, Saturday, the June 13, 2026 to Saturday, the June 27, 2026 (Both days inclusive)
Cut – off date for e – voting	Saturday, the June 20, 2026
Record Date for Dividend	Friday, the June 12, 2026
Dividend	₹ 3/- (150%) per Equity Share (Proposed)
Dividend Payment Date	On or before Saturday, the July 04, 2026

ANNEXURE – 2 TO BOARD’S REPORT

(ii) Financial Calendar for 2026-27 (tentative)

May 2026 : Audited results for FY 2025-26

June 2026 : Annual General Meeting
July 2026 : I st Quarter Results for 2026-27

October 2026 : IInd Quarter Results for 2026-27

January 2027 : IIIrd Quarter Results for 2026-27

March 2027 : Review of performance

(iii) Stock Exchange Details

Name & Address	BSE Phiroze & Jeejeebhoy Towers Dalal Street, Mumbai 400 001 Ph:022-2272 1233 /2272 1234 Fax:022-2272 2082 E-mail: corp.relations@bseindia.com Web Site: www.bseindia.com
Listed from	May 1962
Stock Code	504176
ISIN	INE783E01023

The Listing fee of Stock Exchange, for the FY 2026 – 2027, had been paid to BSE.

(iv) Dematerialisation

The Equity Shares of the Company are traded in compulsory Demat form and are available for trading under both the Depository Systems in India, namely, CDSL and NSDL. The sub-division exercise was completed and the

Company obtained New International Securities Identification Number (ISIN) INE783E01023 replacing the previous ISIN INE783E01015.

Shareholders were advised to convert their holdings from physical mode to Demat mode considering overall merits of the depository system and total prohibition on transfer of shares in physical mode from April 01, 2019. Transposition and Transmission are, however, exempted from this amendment. No request for Transfer of shares in physical mode was received during the FY 2025 – 26.

The details of dematerialized and physical holding of shares, as on March 31, 2026:

Mode of holding	Shareholders		Equity Shares	
	No.	%	No.	%
Physical	75	0.33	80,800	0.90
Demat	22455	99.67	88,83,040	99.10
Total	22,530	100.00	89,63,840	100.00

(v) Registrar and Share Transfer Agent

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

Address to contact for Physical and Demat Segments:

M/s. Cameo Corporate Services Ltd.
“Subramanian Building”, 5th Floor
No.1, Club House Road,
Chennai 600 002
Phone: 044-28460390(5 Lines),
Fax: 044-28460129
E-mail: investor@cameoindia.com
Website: www.cameoindia.com

ANNEXURE – 2 TO BOARD’S REPORT

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

(vi) 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 availed on request or downloaded from the Company’s website. In the case of Demat holding, shareholders shall submit the same to their Depository Participants.

(vii) Intimation Letters sent to Physical Shareholders

Pursuant to SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated May 07, 2024 read with SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024, the Company sent communication through RTA – M/s. Cameo Corporate Services Ltd, to all the Physical holders who do not have PAN, KYC details to;

- a) furnish PAN and KYC details with the Company / RTA in order to process any service request or complaints by RTA and to receive the dividend amount from the Company; and
- b) to update KYC details in order to remit the dividend amount lying in the Company’s Unpaid Dividend Account due to Non – Update of KYC details.

The Company sent two separate intimation letters dated July 04, 2025 on the above, to the physical shareholders of the Company, whose PAN and KYC details are not updated with the Company / RTA.

(viii) Investor Correspondence

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

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

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

Pursuant to SEBI’s directive and Regulation 46(2)(i) of Listing Regulations, the Company has created an exclusive Email ID investor@highenergyltd.com for redressal of investor grievances. The Company also maintains a functional website <https://www.highenergy.co.in/> and it contains basic information about the Company and disseminates all the information about the company spelt out in Regulation 46 of the SEBI (LODR) Regulations, 2015.

(x) Annual Report

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

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“ESVIN House”,
13, Old Mahabalipuram Road
Perungudi, Chennai 600 096.
Phone: 91-44-24960335
Email: hebcnn@highenergy.co.in
Website: <https://www.highenergy.co.in/>

(xi) Credit Rating

Details of Credit Rating obtained from M/s. India Ratings & Research Private Limited for facilities availed from Bank, vide its publication dated August 29, 2025.

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

(xii) Compliance Officer

Mr. V. Anantha Subramanian, Company Secretary is the Compliance Officer under SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 and under Chapter III read with Regulation 6(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xiii) Transaction in Shares

Powers are delegated to the Managing Director and Company Secretary to deal with regular transactions in securities, but the Stakeholders Relationship Committee

(SRC) of the Company only approves all transactions related to the securities of the Company, based on verification of documents by the Company / RTA and by the legal counsel. Investor requests are attended to within 15 days from the date of receipt of request.

Further in terms of Regulation 39 and 40(1) of SEBI Listing Regulations, as amended from time to time, and SEBI vide its Circular dated January 25, 2022 has made it mandatory for the listed entity to issue shares/ securities, within the prescribed time, in Demat mode only while processing any investor service requests viz. issue of duplicate share certificates, exchange/sub-division/splitting/consolidation of securities, transmission/ transposition of securities etc. Accordingly, shareholders are advised to open their Demat account with any Depository Participants (DPs) having registration with SEBI or seek guidance on Demat procedure from Company’s RTA to avoid any inconvenience at later stage.

(xiv) Special Window for Re-Lodgment of Transfer Requests of Physical Shares

SEBI vide Circular no. SEBI/HO/MIRSD/ MIRSD-PoD/P/CIR/2025/97 dated July 02, 2025 reiterated that, transfer of securities in physical mode was discontinued with effect from April 01, 2019. However, in order to facilitate ease of investing for investors and to secure the rights of investors in the securities which were purchased by them, it has been decided to open a special window

ANNEXURE – 2 TO BOARD’S REPORT

only for re-lodgement of transfer deeds, which were lodged prior to the earlier target date of April 01, 2019 and rejected/returned/not attended due to deficiency in the documents/process/or otherwise, for a period of six months from July 07, 2025 till January 06, 2026.

Further, in continuation of the said circular, SEBI vide Circular no. HO/38/13/11(2)2026-MIRSD-POD/1/3750/2026 dated January 30, 2026 has opened another special one-year window from 05th February 2026 to 04th February 2027 for transfer and dematerialisation (“demat”) of physical securities which were sold/purchased prior to April 01, 2019. Matrix for applicability of this window is given below.

Execution Date of Transfer Deed	Lodged for transfer before April 01, 2019?	Original Share Certificate Available?	Eligible to lodge in the current window?
Before April 01, 2019	No (it is fresh lodgement)	Yes	Yes
Before April 01, 2019	Yes (it was rejected / returned earlier)	Yes	Yes
Before April 01, 2019	Yes	No	No
Before April 01, 2019	No	No	No

Securities so transferred shall be mandatorily credited to the transferee only in demat mode and shall be under lock-in for a period of one year from the date of registration of transfer. During the lock-in period, such securities shall not be transferred/lien marked/pledged. Securities involving disputes between transferor and transferee through Court / NCLT process will not be considered in this Special Window. Further, Securities transferred to Investor Education and Protection Fund (IEPF) shall not be considered for processing under this Special Window.

In order to comply with the said SEBI circular dated July 02, 2025, the Company published an advertisement in the Newspapers, Business Standard

(English – All India Edition) and Makkal Kural (Tamil – Chennai Edition) on 08.08.2025, 17.10.2025, 13.12.2025, about the window period for re-lodgement of transfer requests of Physical Shares, on a bi-monthly basis during the Six months period. Further, the Company updated the status of lodgement of transfer of shares on monthly basis to BSE (from July’25 to January’26) in the format specified by SEBI.

In view of the SEBI circular dated January 30, 2026, an advertisement was published in the Newspapers – “Business Standard” (English - All India Edition) and “Maalai Malar (Tamil – Chennai Edition) on 13.03.2026 regarding Opening of Special Window for a period of one year.

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However, the Company / RTA has not received any request from the Shareholder(s) pertaining to re- lodgement of transfer requests of Physical shares. Shareholders may refer the Company’s website <https://www.highenergy.co.in/investor-info/>, for further details.

(xv) IEPFA 100 Days campaign - “Saksham Niveshak”

The Investor Education and Protection Fund Authority (IEPFA), under the Ministry of Corporate Affairs, vide its letter dated July 16, 2025 has launched a 100 day campaign titled “Saksham Niveshak”, from July 28 to November 06, 2025. This national drive is aimed at empowering shareholders by creating awareness about unclaimed dividends held by companies and guiding them through the process of updating their KYC, Bank and nomination details to reclaim their rightful dividend and to prevent transfer of unpaid / unclaimed dividend to IEPF.

With regard to IEPFA 100 Days Campaign, initial communication was made through the Company’s website portal. Secondly, letter was sent to the identified shareholders (whose email id is not registered with the Company / RTA) on 10.09.2025 through Registered post and for the email id registered shareholders, e mail was sent on 12.09.2025. Further, an Advertisement was published in the Newspapers – “Business standard” (English – All India Edition) and “Makkal Kural” (Tamil – Chennai Edition) on

27.09.2025 regarding intimation of 100 Days Campaign.

As per the said IEPF letter, the Progress Report was filed IEPFA on 100 Day Campaign and the same was communicated to BSE at the respective date. The details are as follows;

Submission of Progress Report	Due Date	Complied date
01 st Progress Report	August 21, 2025	August 21, 2025
02 nd Progress Report	September 15, 2025	September 15, 2025
03 rd Progress Report	October 10, 2025	October 10, 2025
Final Report	November 10, 2025	November 10, 2025

Shareholders may refer the Company’s website <https://www.highenergy.co.in/investor-info/>, for further details.

(xvi) Issue of duplicate share certificate

SEBI vide its circular dt.24.12.2025 has simplified the procedure of issuance of duplicate securities, increasing the threshold for simplified documentation from ₹ 5 Lakhs to ₹ 10 Lakhs. The Circular can be accessed at the Company’s website <https://www.highenergy.co.in/investor-info/>

(xvii) Letter of Confirmation (‘LOC’)

SEBI vide its circular dt.30.01.2026 has simplified the process for credit of securities pursuant to investor service requests by reducing the timelines, risk of loss and pilferage. It has done away

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with the requirement of issuance of LOC. The Depositories would develop a process/system to enable RTAs/ listed companies to credit the securities directly to the demat account of the investor after necessary due-diligence. This circular shall come into force from April 02, 2026. Any LOC issued before April 02, 2026, may be submitted by the investors to DP for dematerialization within the specified timeline i.e. 120 days from the date of issuance of LOC. The investor service request shall be accompanied with a copy of the latest Client Master List (“CML”) of the demat account. Such CML shall not be older than two months and shall be duly attested by the Depository Participant (“DP”).

(xviii) Unclaimed shares

SEBI vide its circular no. CIR/CFD/10/2010 dt.16.12.2010 has advised Stock Exchanges follow a uniform procedure to deal with unclaimed shares viz. (i) transferring those shares to an Unclaimed Suspense Account (ii) dematerialize the same with one of the Depository Participants (iii) all corporate benefits to be credited to the suspense account (iv) freeze the voting rights on such shares.

In order to comply the above circular, in the year 2025, the Company transferred the Unclaimed shares to the Company’s Unclaimed Suspense Account aggregating 15,810 shares pertaining to 18 members.

Relevant disclosures under Part F of Schedule V of SEBI (LODR) Regulations, 2015, are as under:

Particulars	No.of Shareholders	No.of Shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year.	18	15,810
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year.	--	--
Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	--	--
Shares transferred from Unclaimed Suspense Account during the year to Investor Education and Protection Fund (IEPF) in terms of Section 124 of the Companies Act, 2013.	--	--
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year.	18	15,810

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(xix) Particulars of complaints received during FY 2025 – 26

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

(xx) Share Quotes

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

FY 2025 – 26 are as follows: (as reported by “Bombay Stock Exchange Limited”):

Month	High	Low	Close	Volume Traded
	₹	₹	₹	No of Shares
Apr-25	525.50	451.00	470.75	1,48,115
May-25	731.00	432.00	716.40	5,71,313
Jun-25	830.35	650.00	797.50	3,44,424
Jul-25	804.00	635.05	635.05	1,97,757
Aug-25	677.35	557.40	667.15	1,29,807
Sep-25	685.00	513.15	518.50	1,64,440
Oct-25	669.00	545.95	588.75	2,33,663

Nov-25	667.00	550.00	580.70	1,53,604
Dec-25	620.00	530.00	600.10	1,48,460
Jan-26	616.00	525.10	562.60	98,689
Feb-26	649.00	528.00	545.10	1,53,270
Mar-26	590.00	495.00	517.70	1,76,087
Total Volume Traded				25,19,629

(xxi) Distribution of Shareholding as on 31.03.2026

Slab	No. of Shareholders		No. of Equity Shares	
	Total	%	Total	%
2 – 5000	22413	99.48	19,95,917	22.27
5001 – 10000	57	0.25	3,73,715	4.17
10001 – 20000	26	0.12	3,34,682	3.73
20001 – 30000	8	0.04	1,76,613	1.97
30001 – 40000	5	0.02	1,73,657	1.94
40001 – 50000	3	0.01	1,32,375	1.48
50001 – 100000	6	0.03	3,31,312	3.70
100000 – and above	12	0.05	54,45,569	60.74
Total	22530	100.00	89,63,840	100.00

(xxii) Shareholding Pattern as on 31.03.2026

Category	No. of Share holders	Percent (%)	No. of Equity Shares	Percent (%)
		%		Total
Promoters	10	0.04	38,60,327	43.07
Financial Institutions	1	0.01	5,37,107	5.99
Bodies Corporate	83	0.37	1,35,753	1.51
Hindu Undivided Families	325	1.44	1,38,855	1.55
IEPF	1	0.01	1,62,525	1.81
NRI – Non-Promoter	429	1.90	86,395	0.96

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Category	No. of Share holders	Percent (%)	No. of Equity Shares	Percent (%)
		%	Total	%
Others - Unclaimed Suspense A/c	1	0.01	15,810	0.18
Alternate Investment Funds	2	0.01	38,048	0.42
Public	21,678	96.21	39,89,020	44.51
Total	22,530	100.00	89,63,840	100.00

(xxiii) Plant Location:

Factory and R & D Lab:

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

xxiv) Particulars of past 3 AGMs

AGM	Year	Venue	Date & Time	Special Resolutions passed
62 nd	2022 – 23	Video Conference / Other	June 24, 2023 (11:00 A.M.)	–
63 rd	2023 – 24	Audio-Visual Means. (Deemed venue:	June 08, 2024 (11:00 A.M.)	Reappointment of retiring Director, Mr. N Gopalaratnam,
64 th	2024 – 25	Registered office of the Company)	June 21, 2025 (11:00 A.M.)	pursuant to Section 152 of the Companies Act, 2013.

No Extraordinary General Meeting was convened during the FY 2025 – 26.

(xxv) Postal Ballot

One Postal Ballot was conducted during the FY 2025 – 26 for seeking the approval of the shareholders for the:

- Re-appointment of Dr. G A Pathanjali (DIN:05297665) as Managing Director of the Company, by way of Special Resolution.
- Appointment of Mr. C V Ramana (DIN:11517220) as Nominee Director of the Company, by way of Ordinary Resolution.
- Appointment of Mrs. Jayashree Ajit Shankar (DIN: 08397093) as Woman Independent Director of the Company, by way of Special Resolution.

On the recommendation of the Nomination and Remuneration Committee vide its meeting dated January 31, 2026, the Board of Directors at their meeting held on January 31, 2026 have:

- (i) re-appointed Dr. G A Pathanjali (DIN: 05297665) as Managing Director of the Company for a period of 3 years with effect from April 01, 2026 (viz., from April 01, 2026 to March 31, 2029), subject to the approval of shareholders;
- (ii) appointed Mr. C V Ramana, (Nominee of LIC) as Nominee Director of the Company with effect from January 31, 2026.

On the recommendation of the Nomination and Remuneration Committee vide its meeting dated February 20, 2026, the

ANNEXURE – 2 TO BOARD’S REPORT

Board of Directors passed resolution through circulation dated February 20, 2026 have:

- (i) appointed Jayashree Ajit Shankar as Woman Independent Director of the Company for a first term of five years from April 01, 2026 to March 2031;
- (ii) approved the Postal Ballot Notice dated February 20, 2026 to seek shareholder approval for the re-appointment of Managing Director and Woman Independent Director by Special Resolution and appointment of Mr. C V Ramana as Nominee Director by Ordinary Resolution. In accordance with applicable MCA and SEBI circulars, Postal Ballot notice was sent through e-mail on February 21, 2026 to those shareholders who were holding shares as on the cut-off date i.e., February 13, 2026. The Company offered the facility of remote e-voting through Central Depository Services (India) Limited (CDSL). Remote e-Voting commenced on Sunday, the February 22, 2026 (09.00 A.M.) and completed on Monday, the March 23, 2026 05.00 P.M.).

The Board of Directors had appointed Mr. A S Kalyanaraman, Practicing Chartered Accountant (Membership No.201149) as the Scrutinizer for the Postal Ballot voting process. Mr. A S Kalyanaraman conducted the e-voting process in a fair and transparent manner. The Scrutinizer submitted the Report on March 24, 2026. The results

of the voting based on the scrutinizer’s report was declared on March 24, 2026 and all the Resolutions as proposed in the Postal Ballot Notice dated February 20, 2026 was passed with requisite majority.

(xxvi) Dividend for 2025 – 26

Dividend, if declared at the Annual General Meeting, will be paid on or before Saturday, the July 04, 2026 to the members whose names appear on the Register of Members on the record date i.e., Friday, the June 12, 2026 or as per their mandates. In respect of shares held in Demat mode, dividend will be paid to the beneficial owners of shares recorded with the Depositories as on that date, as per details to be furnished by NSDL / CDSL for the purpose.

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

(xxvii) Particulars of unclaimed dividend

FY	Dividend (₹ per share)	Date of Dividend Declaration	Unclaimed Amount (₹in lakhs)	Due date for transfer to IEPF
2020-21	15.00	August 07, 2021	0.45	September 12, 2028
2021-22	15.00	June 29, 2022	0.48	August 04, 2029
2022-23 (*)	3.50	June 24, 2023	0.65	July 30, 2030
2023 -24	3.00	June 08, 2024	1.97	July 14, 2031
2024- 25	3.00	June 21, 2025	1.86	July 27, 2032

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(*) Based on the Sub Division of shares with face value of ₹ 10/- each fully paid up into Five equity shares of Face Value of ₹ 2/- each fully paid up.

MCA by Notification G.S.R.352(E) dated 10.05.2012 has stipulated publication of details of unclaimed/unpaid dividend in the company website and MCA website. This is understandably to facilitate investors track unclaimed dividend by checking the status online and real time. Our company has already uploaded the requisite details that will get updated every year within 90 days of Annual General Meeting.

(xxviii) Transfer of shares to IEPF

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

During the FY 2025 – 26, the company is not obligated to transfer unpaid dividend cum shares to IEPF.

(xxix) Claim from IEPF

Shareholders may however note that both the unclaimed dividend and the shares transferred to IEPF Authority’s Demat Account including all benefits

accruing on such shares, if any, can be claimed back from IEPF Authority after following the due process prescribed under Section 125 and other applicable provisions of the Companies Act, 2013. Shareholders are advised to contact the Registrar and Transfer Agent (RTA) or the Company at its registered office for necessary guidance in this regard.

(xxx) Investor safeguards

Members are advised to follow the general safeguards as detailed hereunder to avoid risks while dealing in securities and help the Company serve them better.

- ❖ Shares to be converted to Demat form.
- ❖ Periodic Demat statements to be obtained from Depository Participant (DP) and verify the holdings.
- ❖ PAN, KYC, Postal address and Bank details to be furnished to the DP/ RTA/ Company.
- ❖ Dividends to be encashed in time.
- ❖ Consolidation of Multiple Folios into single folio (PAN Based consolidation).
- ❖ Register Nominations.
- ❖ Deal in Securities only with SEBI Registered Intermediaries.

(For Board of Directors)

N GOPALARATNAM
Chairman

Chennai
12th May, 2026

(DIN:00001945)

ANNEXURE – 2 TO BOARD’S REPORT

Appendix – 1

DECLARATION

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

I, G. A. Pathanjali, Managing Director of High Energy Batteries (India) Limited, hereby declare and confirm that all the members of the Board of Directors and the senior management personnel of the Company have affirmed compliance with the code of conduct of Board of Directors and senior management for the FY 2025 – 26.

Place : Chennai
Date : 12th May, 2026

G A Pathanjali
Managing Director
(DIN:05297665)

ANNEXURE – 2 TO BOARD’S REPORT**Appendix – 2****CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment
1	Mr. Gopalaratnam Natarajan	00001945	06/06/1991
2	Mr. Gnana Bhaskara Agneeswara Pathanjali	05297665	30/05/2012
3	Mr. Maria Joseph Ignatius	08463140	01/06/2019
4	Mrs. Lalitha Lakshmanan	07140032	28/05/2016
5	Mr. Kunjukrishna Pillai Vijayamohanan	07308120	22/03/2019
6	Mr. Saroj Kumar Patel	10474393	01/04/2024
7	Mr. Subrahmaniya Sivam Ramamurthy	02393209	01/04/2024
8	Mr. Venkata Ramana Chilaka	11517220	31/01/2026

ANNEXURE – 2 TO BOARD'S REPORT

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

For V Suresh Associates
Practising Company Secretaries

Place : Chennai
Date : 12th May, 2026

V Suresh
Senior Partner
FCS NO. 2969. CP. NO. 6032
Peer Review Cert No.:6366/2025
UDIN: F002969H000331407

ANNEXURE – 2 TO BOARD’S REPORT

Appendix – 3

AUDITORS’ CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by M/s. High Energy Batteries (India) Limited, for the year ended on March 31, 2026, as stipulated in Regulations 34(3) and in Para C,D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

As required by the Guidance note issued by the Institute of Chartered Accountants of India, we state that as per the records maintained and certified by the Company / Registrar and Transfer Agent of the Company, there was no investor grievance is pending for more than 30 days as at March 31, 2026.

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

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

Chartered Accountants
Firm Regn. No. 001931S/S000020

N R Jayadevan

Partner

Place : Chennai
Date : 12th May, 2026

Membership No. 023838
UDIN: 26023838TLQYDG4095

ANNEXURE – 2 TO BOARD’S REPORT

Appendix – 4

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification:

(PURSUANT TO SCHEDULE II: PART B READ WITH REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015)

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

- A. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2026 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of our Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by our Company during the year ended 31st March, 2026 which are fraudulent, illegal or violative of our Company’s code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of our Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware of and also enumerated the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit Committee:
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) that there is “Nil” Instance of any significant fraud of which we have become aware of and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

Place : Chennai
Date : 12th May, 2026

G.A. Pathanjali
Managing Director

R Swaminathan
Chief Financial Officer

ANNEXURE – 3 TO BOARD’S REPORT

Annexure – 3

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm’s length basis: NIL

There were no contracts or arrangements or transactions entered into during the year ended 31st March, 2026, which were not at arm’s length basis.

2. Details of material contracts or arrangement or transactions at arm’s length basis:

Name(s) of the related party and nature of relationship	The details of the Related party transactions are disclosed in Note no.36 of the financial statements of the Company for the financial year ended 31 st March, 2026. It may be seen therefrom that the total value of transactions with all related parties that, none of them are material in nature.
Nature of contracts/arrangements/ transactions	
Duration of the contracts /arrangements / transactions	
Salient terms of the contracts or arrangements or transactions including the value, if any	
Date of approval by the Board, if any	
Amount paid as advances, if any	

(For Board of Directors)

N GOPALARATNAM
Chairman
(DIN:00001945)

Chennai
12th May, 2026

ANNEXURE – 4 TO BOARD'S REPORT

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

A. CONSERVATION OF ENERGY

Steps taken on conservation of energy:

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

B. TECHNOLOGY ABSORPTION

1. Research and Development

- Development of Primary activated Reserve Type Silver Zinc Batteries for Aero Space applications.
- Design and Development of high power, Ag Zn Pile battery.
- Development of PEM Fuel Cells.
- Design, development and Demonstration of 10 kW/ 100 kWh Vanadium Redox Flow Battery (VRFB).
- Development work on Lithium-Ion Battery (LIB) for various applications.
- Development of BMS, Controller and Electronics, pertaining to Lithium-Ion Battery.

- Development of Solar PV Based Street Lights.
- Development of Long Endurance Battery.
- R & D work on Alkaline Electrolyzer.

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

- Elimination of imports in their respective categories.
- Saving of substantial foreign exchange outgo.
- Indigenous availability of Batteries for strategic Defence applications, without any restriction and / or embargo.
- Export of the Developed Batteries with earning of foreign exchange.
- Up gradation of technology to match the change in requirements.
- Indigenization, Upgradation and self-reliance in the critical field of batteries fuel cell, Energy Storage for strategic defence and commercial applications.
- “Make in India” and “Atmanirbhar” concepts fully implemented over four decades.

ANNEXURE – 4 TO BOARD’S REPORT

3. Future Plan of Action

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

4. Expenditure on R & D during the year

(₹ in lakhs)

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Capital	42.09	139.88
Recurring	527.04	751.41
Total	569.13	891.29

5. Technology Absorption and Adoption

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

6. Foreign Exchange Earnings and Outgo

(₹ in lakhs)

Particulars	Year Ended 31.03.2026	Year Ended 31.03.2025
Earnings	587.68	525.46
Outgo	645.40	1195.35

(For Board of Directors)

N GOPALARATNAM

Chennai
12th May, 2026

Chairman
(DIN:00001945)

ANNEXURE – 5 TO BOARD’S REPORT

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

1. Brief outline on CSR Policy of the Company

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

During FY 2025 – 26, the Company had pursued objectives in various avenues envisaged under Schedule VII of the Companies Act, 2013, the details which are described in clause 7 (c) of this report.


We have also included the relevant Sustainability Development Goals (SDG) of the United Nations comparable to our CSR activities.

a. Healthcare & Well Being



UNITED NATIONS SDG NO:3





In order to promote health care, the Company contributed by providing medical equipments and infrastructural facility as follows:

Sl. No.	Beneficiary Details	Particulars	Photo
1.	Govt Primary Health Centre, Kalamavur Village, Pudukkottai District	Provision of RO Water facility, Crash Guard, Stretcher, Doctor Table and Examination table – Amount spent ₹ 2.34 Lakhs.	

ANNEXURE – 5 TO BOARD’S REPORT

Sl. No.	Beneficiary Details	Particulars	Photo
2.	Govt. Primary Health Centre, Mandaiyur Village, Pudukkottai District	Provision of Medical Equipments and construction of Ramp for Wheel chair movement and Wash Basin at OP Unit– Amount spent ₹ 2.39 Lakhs.	
3.	Govt Primary Health Centre, NeerPazhani Village, Pudukkottai District	Provision of RO Water facility, Medical Equipments and shed with flooring at the entrance for patient waiting area – Amount spent ₹ 4.77 Lakhs.	

ANNEXURE – 5 TO BOARD’S REPORT

Sl. No.	Beneficiary Details	Particulars	Photo
4.	Old Age home - Pudur, Uthamanur Village, Trichy District	Providing infrastructure facilities to nearby old age home – Amount spent ₹ 3.04 Lakhs.	 <p>WRG3+35Q, Pudur Uthamanur, Tamil Nadu 621712, India, Lat: 10.925401, Long: 78.802580 18 Dec, 25, 10:58 am, Thursday</p> <p>Loading... Lat: 10.925402, Long: 78.802338 18 Dec, 25, 11:00 am, Thursday</p>
5.	Govt. Secondary Health Centre, Mathur Village, Pudukkottai District	Construction of shed at the entrance for patient waiting area – Amount spent ₹ 0.88 Lakhs.	

b. Education




UNITED NATIONS SDG NO:4



ENSURE INCLUSIVE AND EQUITABLE QUALITY EDUCATION AND PROMOTE LIFELONG LEARNING OPPORTUNITIES FOR ALL

ANNEXURE – 5 TO BOARD’S REPORT

The Company identified education institutions that are located near the factory and provided Computers and Infrastructure facilities to enhance the quality of education.

Sl. No.	Beneficiary Details	Particulars	Photo
1.	Seshasayee Educational Society, Trichy District	Establishment of English Communication Lab with computers, server and provision of RO water facility – Amount spent ₹ 6.33 Lakhs.	
2.	Govt. Higher Secondary School, Aavor Village, Pudukkottai District	Provision of Classroom Tables and Chairs (25 Nos. each) and Construction of Toilets for Girls - Amount spent ₹ 4.59 Lakhs.	
3.	Govt. Higher Secondary School, Mathur Village, Pudukkottai District	Provision of shed for Students study purpose - Amount spent ₹ 5.28 Lakhs.	

ANNEXURE – 5 TO BOARD’S REPORT

(c) Rural Development activities – Clean Water and Sanitation


UNITED NATIONS SDG NO:6

6 CLEAN WATER AND SANITATION



**ENSURE AVAILABILITY AND SUSTAINABLE
MANAGEMENT OF WATER AND SANITATION FOR ALL**

During FY 2025 – 26, the Company undertook CSR activities on providing potable drinking water to nearby villages which does not require electricity to purify the water. Thus, this project is a sustainable method of providing clean water to common public.

Sl. No.	Beneficiary Details	Particulars	Photo
1.	Mathur Village, Pudukkottai District	Provision of Water Purifier machines to the following five (5) locations at Mathur: (a) Anna Nagar (b) Chidambaram Nagar (c) Kainankarai (d) Mathur Village Panchayat (e) Rasipuram Amount spent ₹ 12.58 Lakhs.	  <p style="text-align: center;">Rural Development Activities - Water Purifier</p>

ANNEXURE – 5 TO BOARD’S REPORT

(d) Rural Development activities – Affordable and Clean Energy



UNITED NATIONS SDG NO:7

7 AFFORDABLE AND
CLEAN ENERGY



**ENSURE ACCESS TO AFFORDABLE, RELIABLE,
SUSTAINABLE AND MODERN ENERGY FOR ALL**

The Company under Sustainable and inclusive development, installed Lithium-Ion Secondary Battery Solar Power lights under Rural Development activity.

Sl. No.	Beneficiary Details	Particulars	Photo
1.	Mathur Village, Pudukkottai District	Provision of Li Ion Secondary Battery Solar Power Street lights (22 Nos) - Amount spent ₹ 3.34 Lakhs	 <p style="text-align: center;">Rural Development Activities - Lithium-Ion Street Lights</p> 


ANNEXURE – 5 TO BOARD’S REPORT

(e) Tree plantation for increased green cover

UNITED NATIONS SDG NO:13



The Company undertook the activity of planting trees during FY 2025 – 26 as an effort to increase the green cover near the factory location.

Sl. No.	Beneficiary Details	Particulars	Photo
1.	Mathur Village, Pudukkottai District	Tree plantation activities - Amount spent ₹ 3.73 Lakhs.	

ANNEXURE – 5 TO BOARD’S REPORT

(f) Contribution to war veterans

The Company being a Defense equipment manufacturer, contributed ₹ 3 Lakhs to the welfare of War veterans. The said contribution was made to War Veterans Headquarters Dakshin Bharat Area, Chennai.

2. Composition of CSR Committee

The CSR Committee has been constituted as under:

Dr. Vijayamohanan K Pillai	- Chairman of the Committee
Dr. G A Pathanjali	- Member
Mr. N P Sinha	- Member (upto 31.01.2026)
Cmdr Saroj Kumar Patel (Retd.)	- Member
Dr. R Subrahmaniya Sivam	- Member

Effective from 01.04.2026, the CSR Committee has been reconstituted as follows:

Dr. Vijayamohanan K Pillai	- Chairman of the Committee
Dr. G A Pathanjali	- Member
Cmdr Saroj Kumar Patel (Retd.)	- Member
Dr. R Subrahmaniya Sivam	- Member
Mr. C V Ramana	- Member

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

<https://www.highenergy.co.in/wp-content/uploads/2025/05/CSR-Policy-1.pdf>

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

The Impact Assessment is applicable for those companies having average CSR obligation of ₹ Ten Crore or more in pursuance of subsection (5) of section 135 of the Act. Hence, the Impact Assessment is **not applicable** to our Company.

ANNEXURE – 5 TO BOARD’S REPORT

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

Sl. No.	Financial Year	Amount available for set – off from preceding financial years (₹ in lakhs)	Amount required to be set – off for the financial year, if any (₹ in Lakhs)
1.	2022 – 23	1.10	1.10
2.	2023 – 24	3.57	3.57
3.	2024 – 25	1.06	1.06

6. (a) Average net profit of the Company as per Section 135(5): ₹ 2,538.37 lakhs.
 (b) Two percent of average net profit of the Company as per Section 135(5): ₹ 50.77 lakhs.
 (c) Surplus arising out of the CSR Projects or Programs or Activities of the previous Financial Years: Nil
 (d) Amount required to be set – off for the Financial Year, if any: 1.06 Lakhs
 (e) Total CSR obligation for the Financial Year 2025-26 (6b+6c-6d): ₹ 49.71 lakhs
7. (a) CSR amount spent or unspent for the Financial Year 2025-26:

Total Amount spent for the FY 2025 – 26 (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
52.27	Nil		Nil		

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

ANNEXURE – 5 TO BOARD’S REPORT

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

SL. NO.	DESCRIPTION	BENEFICIARY DETAILS	BREAK UP OF ITEMS	ACTUAL AMOUNT SPENT (₹ IN LAKHS)	LOCATION	MODE OF IMPLEMENTATION DIRECT (YES/NO)	MODE OF IMPLEMENTATION THROUGH	
							CSR Regn No	Name
1	Promoting Education	Seshasayee Educational Society	Establishment of English Communication Lab with computers, server & RO Water facility	6.33	Trichy	Yes	-	-
		Govt Higher Secondary School	Classroom Tables and Chairs & Construction of Toilets for Girls	4.59	Aavor Village		-	-
		Govt Higher Secondary School	Construction of shed for Students study purpose	5.28	Mathur Village		-	-
		TOTAL – A		16.20				
2	Promoting Health care & Well being	Govt. Primary Health Centre	RO Water facility, Crash Cart, Stretcher, Doctor Table and Examination Table	2.34	Kalamavur Village	Yes	-	-
		Govt. Primary Health Centre	Provision of Medical Equipments & Construction of Ramp for Wheel chair movement & wash basin at OP Unit	2.39	Mandaiyur Village		-	-
		Govt. Primary Health Centre	Provision of Medical Equipments, RO water facility & shed with flooring at the entrance for patient waiting area	4.77	Neer Pazhani Village		-	-
		Govt. Secondary Health Centre	Construction of shed at the entrance for patient waiting area	0.88	Mathur Village		-	-
		TOTAL – B		10.38				
3	War Veterans	Contribution for War Veterans welfare	Contribution to the War Veterans welfare fund	3.00	Chennai	Yes		
TOTAL – C				3.00				

ANNEXURE – 5 TO BOARD’S REPORT

SL. NO.	DESCRIPTION	BENEFICIARY DETAILS	BREAK UP OF ITEMS	ACTUAL AMOUNT SPENT (₹ IN LAKHS)	LOCATION	MODE OF IMPLEMENTATION DIRECT (YES/NO)	MODE OF IMPLEMENTATION THROUGH	
							CSR Regn No	Name
4	Rural development activities	Mathur Panchayat	Provision of Solar Power Street Lights	3.34	Mathur Village	Yes	-	-
			Provision of Water Purifier machines for 5 locations at Mathur Village	12.58	Mathur Village			
			Tree Plantation activities	3.73	Mathur Village			
		Old Age Home	Providing of Infrastructure facilities to old age home	3.04	Pudhur Uthamanur Village			
			TOTAL – D	22.69				
GRAND TOTAL				52.27				

(d) Amount spent in Administrative Overheads: **Nil**

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year FY 2025-26 (7b+7c+7d+7e): ₹ 52.27 lakhs

(g) Excess amount for set-off, if an

SI. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135 (5)	50.77
(ii)	Total amount spent for the Financial Year	52.27
(iii)	Excess amount spent for the Financial Year [(ii) – (i)]	1.50
(iv)	Excess amount spent in the previous year brought forward	1.06
(v)	Surplus arising out of the CSR Projects or programs or activities of the previous financial years, if any	-
(vi)	Amount available for set – off in succeeding financial years [(iii) + (iv) – (v)]	2.56

ANNEXURE – 5 TO BOARD’S REPORT

8. (a) Details of Unspent CSR amount for the preceding three Financial Years: **Nil**
(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding Financial Year(s): **Nil**
9. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset – wise details): Refer Sl. No 7(c) of this Report.
10. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5): **Not Applicable**

Place : Chennai
Date : 12th May, 2026

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

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

ANNEXURE – 6 TO BOARD’S REPORT

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

Sl. No.	Description		
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2025 – 26.	Managing Director (MD) 4.20:1 Director (Operations) 3.28:1	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 2025 – 26.	MD Nil Director (Operations) 18% CFO 17% Company Secretary 20%	Note 1 & 2
3	The percentage increase in the median remuneration of employees in the financial year 2025 – 26.	Nil	
4	The number of permanent employees on the rolls of company as at 31 st March, 2026.	125	
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase in the salary of employees other than managerial persons 32.90% Managerial remuneration: Nil	Note 2
6	Affirmation that the remuneration is as per the remuneration policy of the company	Yes. Remuneration is as per the remuneration policy of the company.	

ANNEXURE – 6 TO BOARD’S REPORT

Notes:

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

The information as per Rule 5(2) of the Rules forms part of this report. However as per second proviso to Section 136(1) of the Act, the Report and Financial Statements are being sent to the members of the Company excluding the same. This is available for inspection and any member interested in obtaining a copy of this statement may write to the Company Secretary.

(For Board of Directors)

N GOPALARATNAM

Chairman

(DIN:00001945)

Place : Chennai

Date : 12th May, 2026

ANNEXURE – 7 TO BOARD’S REPORT

Form No. MR-3
SECRETARIAL AUDIT REPORT
For the Financial Year 2025 - 2026

[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,
High Energy Batteries (India) Limited
“Esvin House”, 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 **High Energy Batteries (India) Limited (CIN: L36999TN1961PLC004606) (hereinafter called the “Company”)**. Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of **High Energy Batteries (India) Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, the explanations and clarifications given to us and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, we hereby report that in our opinion, the Company has, during the audit period covering the financial year

ended 31st March, 2026, 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 **High Energy Batteries (India) Limited** (“the Company”) for the financial year ended on 31st March, 2026 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not applicable to the Company during the audit period).**

ANNEXURE – 7 TO BOARD’S REPORT

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments from time to time;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time; **(Not applicable to the Company during the audit period).**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the audit period).**
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period).**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable).**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period).**
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the audit period).**
- (vi) Other than fiscal, labour, environmental and other general laws which are ordinarily applicable to all manufacturing companies, the following laws / acts are also, inter alia, applicable to the Company:
- (a) The Batteries (Management and Handling) Rules, 2001
- (b) Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008
- (c) The E- waste (Management) Rules, 2016.
- We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments from time to time.
- During the period under review, the Company has complied with the provisions of the Act,

ANNEXURE – 7 TO BOARD’S REPORT

Rules, Regulations, Guidelines, Standards, Circulars, Notifications etc.

We further report that the Board of Directors of the Company is duly constituted with 8 (Eight) Directors as at 31st March, 2026, comprising of:

- (i) 1 (one) Non-Executive - Non-Independent Director as Chairman
- (ii) 2 (Two) Executive Directors including 1 (one) designated as Managing Director;
- (iii) 4 (Four) Non-Executive Independent Directors.
- (iv) 1 (One) Non-Executive - Non Independent - Nominee Directors.

We further report that during the period under review, the following changes occurred in the composition of the Board of Directors of the Company:

1. Mr. N. Gopalaratnam (DIN:00001945), who retires by rotation, was re-appointed as Director of the Company, by a Special Resolution passed at the 64th Annual General Meeting of the Company held on 21st June, 2025.
2. Mr. C. V. Ramana (DIN: 11517220) was appointed as Nominee Director of the Company, in place of Mr. N. P. Sinha (DIN: 07980838), with effect from 31st January, 2026.
3. Dr G A Pathanjali (DIN:05297665) was reappointed as Managing Director of the Company for a period three years with effect from 01st April, 2026, by a Special Resolution passed through Postal Ballot by the Shareholders of the Company on 24th March, 2026.

4. Mrs. Lalitha Lakshmanan (DIN: 07140032) demitted office as an Independent Director of the Company with effect from 31st March 2026, upon completion of her two consecutive terms of five years each.

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and therefore no dissenting views were required to be captured and recorded as part of the minutes.

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

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

For V Suresh Associates
Practising Company Secretaries

V Suresh
Senior Partner
FCS No. 2969
C.P.No. 6032
Peer Review Cert. No. 6366/2025
UDIN: F002969H000331550

Place : Chennai
Date : 12th May, 2026

ANNEXURE – 7 TO BOARD’S REPORT

Annexure-1

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

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

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

For V Suresh Associates
Practising Company Secretaries

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

Place : Chennai
Date : 12th May, 2026

Peer Review Cert. No. 6366/2025
UDIN: F002969H000331550

MAHARAJ N R SURESH AND CO LLP
CHARTERED ACCOUNTANTS

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

Report on the audit of Financial Statements

Opinion

We have audited the Standalone Financial Statements of HIGH ENERGY BATTERIES (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2026 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of the Material Accounting Policy Information and other explanatory information hereinafter referred to as Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2026, the Profit (Including Other Comprehensive Income), the changes in Equity, and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note No.41 of the financial statements, which is extracted below:

"The Government of India, in November 2025, notified four Labour Codes that replaced the existing 29 Labour laws. Additional liability of ₹124.66 Lakhs arising therefrom towards gratuity and leave benefits has been recognised under "Exceptional item" in these financial statements."

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key Audit Matters	Response to Key Audit Matters & Conclusion
<p>1. As on 31st March 2026, the Inventories (Note no 6 carrying value ₹ 4107.83 Lakhs) are valued at lower of cost and net realizable value.</p> <p>We considered the value of Inventories as key audit matter considering the relative size of it in the financial statements.</p>	<p>We understood and tested the design and operating effectiveness of control with respect to receipt, issues, year-end physical verification, and valuation of inventories.</p> <p>We applied standard audit procedures during physical verification including our presence during physical verification.</p> <p>We have verified the cost calculation with the relevant records.</p> <p>Based on the above audit procedures we have concluded that the management's determination of the value of Inventories is reasonable and in accordance with Ind AS 2 – Inventories.</p>
<p>2. Note No.7 - Trade Receivable as on 31.03.2026 is ₹ 2851.12 Lakhs, is considered as a Key Audit Matter, being a significant account balance in the financial statements.</p>	<p>We have tested the internal control procedures in the areas of sales and dispatches.</p> <p>We have verified the sales amounts with the orders from customers, and documents relating to transfer of control to customers.</p> <p>We have verified the Confirmation of balance obtained and also applied our alternate audit procedures such as verification of the internal and external evidence for dispatch of the goods for major items and subsequent bank receipts.</p> <p>Based on the audit procedures performed we are satisfied that the amount stated in the financial statements is in line with accepted accounting procedures and applicable accounting standards.</p>

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

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

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

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

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

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

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate Internal Financial Controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in "Annexure B" a statement on the matters specified in paragraph 3 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors as on 31st March, 2026 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2026 from being appointed as a Director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

g) With respect to the other matters to be included in the Auditors’ Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

h) With respect to the other matters to be included in the Auditors’ Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. As per the information and explanation given to us, the company has no pending litigations as on 31st March 2026 which requires disclosure in its financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company.

iv. (a) The management has represented that, to the best of the knowledge and belief, as disclosed in the note to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities Identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 34(D)(i) to financial statements, no funds have been received by the company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries ; and

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

For MAHARAJ N R SURESH AND CO LLP
Firm Regn. No. 001931S/S000020

N R JAYDEVAN
Membership No. 023838
Partner

Place : Chennai
Date : May 12, 2026

Chartered Accountants
UDIN : 26023838MPFAYJ6560

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

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

We have audited the Internal Financial Controls Over Financial Reporting of HIGH ENERGY BATTERIES (INDIA) LIMITED (“the Company”) as of March 31, 2026 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

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

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls with reference to the Financial statements of the company and such Internal Financial Controls with reference to the Financial statements of the company were operating effectively as at March 31, 2026, based on the Internal Control over Financial Reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For MAHARAJ N R SURESH AND CO LLP

Firm Regn. No. 001931S/S000020

N R JAYDEVAN

Membership No. 023838

Partner

Chartered Accountants

UDIN : 26023838MPFAYJ6560

Place : Chennai

Date : May 12, 2026

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

The Annexure referred to in Paragraph 2 under the heading ‘Report on Other Legal and Regulatory Requirements’ of our Report of even date:

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

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

- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, in respect of investments, made by the Company.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has prescribed maintenance of Cost Records under Sub-section (1) of Section 148 of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that prime facie, the prescribed and such accounts and records have been made and maintained.
- (vii) (a) The Company is regular in depositing undisputed Statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Customs, Cess, and any other Statutory Dues to the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2026 for a period of more than six months from the date they became payable.

(b) There are no dues of Goods and Services Tax, Employees Provident fund and Employees State Insurance, Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax, and Cess have not been deposited as on 31st March 2026 on account of disputes.
- (viii) There are no transactions relating to previously unrecorded income in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;

(b) The Company is not declared as a wilful defaulter by any bank or financial institution or other lender;

(c) The Company has not obtained term loans during the year. Hence, the reporting under this clause is not applicable.

(d) The funds raised on short term basis have not been utilised for long term purposes;

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;

- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the requirements of section 42 and section 62 of the Companies Act, 2013 does not arise;
- (xi) (a) The Company has not noticed or reported during the year any fraud by the Company or any fraud on the Company.
(b) There is no report under sub-section (12) of section 143 of the Companies Act that has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
(c) There are no complaints received during the year under whistle-blower Mechanism;
- (xii) The Company is not a Nidhi Company and hence complying with the provisions of the Nidhi Rules, 2014 does not arise.
- (xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements, etc., as required by the applicable Accounting Standards.
- (xiv) The Company has an internal audit system commensurate with the size and nature of its business. We have considered the internal audit reports issued till date;
- (xv) The Company has not entered into any non-cash transactions with Directors or persons connected with him.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
(b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
(c) The Company is not a Core Investment Company (CIC), as defined in the Regulations made by Reserve Bank of India.
(d) We are informed that three core Investment Companies in the Promoter group which are exempted from registration.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.

- (xviii) There has been no instance of any resignation of the statutory auditors occurred during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The company has spent on CSR activities the minimum amount required to be spent as stipulated in section 135 of the Companies Act and hence the transfer of unspent amount to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act does not arise. The company does not have any ongoing projects under Section 135 (5) of the said Act.
- (b) There are no unspent amount towards Corporate Social responsibility (CSR) on ongoing projects requiring a transfer to a special account in compliance with provisions of sub section (6) of section 135 of the said act.
- (xxi) The company has no subsidiaries and therefore this clause is not applicable.

For MAHARAJ N R SURESH AND CO LLP
Firm Regn. No. 001931S/S000020

N R JAYDEVAN
Membership No. 023838
Partner

Place : Chennai
Date : May 12, 2026

Chartered Accountants
UDIN : 26023838MPFAYJ6560

BALANCE SHEET AS AT 31st MARCH 2026

₹ in Lakhs

Particulars	Note No.	As at 31.03.2026	As at 31.03.2025
I ASSETS			
1 Non Current Assets			
a) Property, Plant and Equipment	2	4002.04	3846.29
b) Capital Work-in-Progress	2(b)	154.53	31.40
c) Other Intangible Assets	2(a)	17.27	33.87
d) Financial Assets			
(i) Investments	3	267.37	283.21
(ii) Other Financial Assets	4	1033.14	28.49
e) Other Non Current Assets	5	48.97	37.49
		5523.32	4260.75
2 Current Assets			
a) Inventories	6	4107.83	3989.57
b) Financial Assets			
(i) Trade Receivables	7	2851.12	2673.61
(ii) Cash and Cash Equivalents	8	1.28	2.17
(iii) Bank Balances other than (ii) above	9	5.42	323.88
(iv) Others	10	761.32	579.36
c) Current Tax Assets (Net)	11	-	62.27
d) Other Current Assets	12	546.95	637.10
		8273.92	8267.96
Total Assets		13797.24	12528.71
EQUITY AND LIABILITIES			
II EQUITY			
a) Equity Share Capital	13	179.28	179.28
b) Other Equity	14	10970.96	9780.72
		11150.24	9960.00
III LIABILITIES			
1 Non Current Liabilities			
a) Provisions	15	51.02	44.66
b) Deferred Tax Liabilities (Net)	16	330.96	331.79
		381.98	376.45
2 Current Liabilities			
a) Financial Liabilities			
i) Borrowings	17	1155.61	1124.97
ii) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises	18(a)	93.76	143.69
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	18(b)	239.60	332.15
iii) Other Financial Liabilities	19	327.66	428.94
b) Other Current Liabilities	20	179.00	75.04
c) Provisions	21	248.89	87.47
d) Current Tax Liabilities (Net)	22	20.50	-
		2265.02	2192.26
Total Equity and Liabilities		13797.24	12528.71

Notes to Financial Statements 1 to 42

Vide our Report of even date For M/s. Maharaj N R Suresh and Co LLP Chartered Accountants Firm Reg No: 001931S/S000020	N.GOPALARATNAM (DIN:00001945) Chairman	Dr. R SUBRAHMANYA SIVAM (DIN:02393209) Dr. VIJAYAMOHANAN K PILLAI (DIN:07308120)	Cmde.SAROJ KUMAR PATEL (Retd.) (DIN:10474393) JAYASHREE AJIT SHANKAR (DIN:08397093)
N.R.Jayadevan Partner M.No: 023838 UDIN : 26023838MPFAYJ6560	Dr.G.A.PATHANJALI (DIN:05297665) Managing Director	C V RAMANA (DIN:11517220)	Directors
Chennai 12-05-2026	M.IGNATIUS (DIN:08463140) Director (Operations)	R.SWAMINATHAN Chief Financial Officer	V.ANANTHA SUBRAMANIAN Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2026

₹ in Lakhs

S No	Particulars	Note No.	Year ended 31.03.2026	Year ended 31.03.2025
I	Revenue from Operations			
	Revenue from sale of products and services	23a	8310.24	8075.22
	Other Operating Revenues	23b	42.40	24.60
II	Other Income	24	588.18	571.26
III	Total Income (I+II)		8940.82	8671.08
IV	Expenses			
	Cost of materials and components consumed	25	2297.18	2347.11
	Changes in Inventories of Finished Goods, Stock in Trade and Work-in-Progress	26	160.85	(32.70)
	Employee Benefits Expense	27	2193.15	1983.26
	Finance Costs	28	185.57	148.28
	Depreciation and Amortisation Expense	2 & 2(a)	109.45	91.00
	Other Expenses	29	1795.26	2065.75
	Total Expenses (IV)		6741.46	6602.70
V	Profit / (Loss) before exceptional items and Tax (III-IV)		2199.36	2068.38
VI	Exceptional Items	41	124.66	-
VII	Profit before Tax (V - VI)		2074.70	2068.38
VIII	Tax Expense	30		
	Current Tax		535.76	534.54
	Deferred Tax		(0.24)	0.85
	Total Tax Expense (VIII)		535.52	535.39
IX	Profit / (Loss) after Tax (VII-VIII)		1539.18	1532.99
X	Other Comprehensive Income			
	A. Items that will not be reclassified to profit or loss			
	(i) Remeasurement benefit of defined benefit plans		(86.56)	(62.05)
	(ii) Income tax expense on remeasurement benefit of defined benefit plans		21.79	15.62
	(iii) Net fair value gain/(loss) on investment in equity instruments through OCI		(15.84)	(33.49)
	(iv) Income tax expense on gain on Fair valuation of investment in equity instruments through OCI		0.59	5.05
	Total other Comprehensive Income		(80.02)	(74.87)
	B. Items that will be reclassified to profit or loss		-	-
	Total Comprehensive income for the year (IX + X)		1459.16	1458.12
	Earning per Equity Share of face value of ₹ 2 each (in ₹)			
	Basic	37	17.17	17.10
	Diluted	37	17.17	17.10

Notes to Financial Statements 1 to 42

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

N.R.Jayadevan
Partner
M.No: 023838
UDIN : 26023838MPFAYJ6560

Chennai
12-05-2026

N.GOPALARATNAM
(DIN:00001945)
Chairman

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

M.IGNATIUS
(DIN:08463140)
Director (Operations)

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(DIN:10474393)

JAYASHREE AJIT SHANKAR
(DIN:08397093)

Directors

V.ANANTHA SUBRAMANIAN
Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2026

A) Equity Share Capital

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Balance at the beginning of the reporting year	179.28	179.28
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	179.28	179.28

B) Other Equity

₹ In Lakhs

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance as at 01st April 2024	3.00	783.35	1700.00	5958.62	146.55	8591.52
Additions during the year 2024-25						
Profit/ (loss) for the year 2024-25	-	-	-	1532.99	-	1532.99
Items of OCI for the year (net of taxes)						
Remeasurement benefit of defined benefit plans	-	-	-	(46.43)	-	(46.43)
Net fair value gain on investment in equity shares	-	-	-	-	(28.44)	(28.44)
Reductions during the year 2024-25						
Dividend for FY 2023-24	-	-	-	268.92	-	268.92
Transfer to General Reserve	-	-	2000.00	(2000.00)	-	-
Balance as at 01st April 2025	3.00	783.35	3700.00	5176.26	118.11	9780.72
Additions during the year 2025-26						
Profit/ (loss) for the year 2025-26	-	-	-	1539.18	-	1539.18
Items of OCI for the year (net of taxes)						
Remeasurement benefit of defined benefit plans	-	-	-	(64.77)	-	(64.77)
Net fair value gain on investment in equity shares	-	-	-	-	(15.25)	(15.25)
Reductions during the year 2025-26						
Dividend for FY 2024-25	-	-	-	268.92	-	268.92
Transfer to General Reserve	-	-	-	-	-	-
Balance as at 31st March 2026	3.00	783.35	3700.00	6381.75	102.86	10970.96

Notes to Financial Statements 1 to 42

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

V.ANANTHA SUBRAMANIAN
Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2026

₹ in Lakhs

Description	Refer Note No.	Year ended 31.03.2026	Year ended 31.03.2025
A. Cash flow from Operating Activities:			
Profit before tax		2074.70	2068.38
Adjustments for:			
Depreciation and Amortisation Expense	2 & 2(a)	109.45	91.00
Interest Paid	28	185.57	148.28
Interest received	24	(37.04)	(14.03)
Dividend received	24	(2.68)	(2.61)
Impairment of Property, Plant and Equipment	2 & 2(a)	-	115.09
Loss on sale of Property, Plant and Equipment	29	0.21	1.54
Profit on sale of Property, Plant and Equipment	24	(3.80)	-
		251.71	339.27
Operating Profit before working capital changes		2326.41	2407.65
Adjustments for:			
Changes in Working Capital			
(Increase)/Decrease in Trade and Other Receivables	7	(177.51)	(634.78)
(Increase)/Decrease in Inventories	6	(118.26)	(110.48)
(Increase)/Decrease in Other Non-current assets	A	(21.51)	81.44
(Increase)/Decrease in Other current assets	B	(91.81)	(707.49)
Increase/(Decrease) in Provisions	C	81.22	17.38
Increase/(Decrease) Trade and other payables	18 to 20	(139.80)	(152.00)
		(467.67)	(1505.93)
Cash generated from operations		1858.74	901.72
Direct Tax paid net of refund		(424.37)	(511.68)
Net cash from operating activities (A)		1434.37	390.04
B. Cash flow from Investing Activities:			
Purchase / Acquisition of Property, Plant and Equipment	2 & 2(a)	(248.60)	(276.63)
Change in CWIP	2(c)	(123.14)	(31.40)
Change in Other Intangible Assets	2(b)	(1.31)	(23.09)
Sale of Property, Plant and Equipment		4.90	1.67
Investment in equity shares		-	(158.56)
Term deposit with Bank	9	(683.18)	(214.81)
Interest received	24	37.04	14.03
Dividend received	24	2.68	2.61
Net cash used in investing activities (B)		(1011.61)	(686.18)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2026

Description	Refer Note No.	Year ended	
		31.03.2026	31.03.2025
C. Cash flow from Financing Activities:			
Working Capital Loan availed/(repaid) (net)	18	30.64	647.90
Dividend paid		(268.92)	(268.92)
Interest Paid			
Interest as per Statement of Profit & Loss	29	(185.57)	(148.28)
Interest on Current Tax		-	-
Interest on Current Tax Not Paid	29	0.20	-
		(185.37)	(148.28)
Net cash from / (used in) financing activities (C)		(423.65)	230.70
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(0.89)	(65.44)
Cash and cash equivalents at the beginning of the year		2.17	67.61
Cash and cash equivalents at the end of the period	8	1.28	2.17

Note forming part of Statement of Cash Flows for the Year ended 31st March 2026

₹ in Lakhs

Particulars	Note No	Year ended 31.03.2026		Year ended 31.03.2025	
(A) (Increase)/Decrease in Other Non-current assets					
Other Financial Assets	4	(1004.65)		53.45	
Less: Fixed deposit with Banks considered under Investing Activities	4	1001.64		-	
Other Non Current Assets	5	(11.49)		27.63	
Advance Income Tax (Net of provision) considered separately	5	(7.01)	(21.51)	0.36	81.44
(B) (Increase)/Decrease in Other current assets					
Current Financial Assets - Others	10	(181.96)		(330.51)	
Other Current Assets	12	90.15		(314.93)	
Items that will not be reclassified to Profit and Loss - Remeasurement benefit of defined benefit plans		-	(91.81)	(62.05)	(707.49)
(C) Increase/(Decrease) in Provisions					
Non-Current Provision	15	6.36		(0.69)	
Current Provision	21	161.42		18.07	
Items that will not be reclassified to Profit and Loss - Remeasurement benefit of defined benefit plans		(86.56)	81.22	-	17.38

(D) Corporate Social Responsibility Expenses incurred during the year is ₹ 52.27 Lakhs (Previous year ₹ 50.17 Lakhs).

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

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

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

Vide our Report of even date
For **M/s. Maharaj N R Suresh and Co LLP**
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

1. Material Accounting Policy information

1.1 Company Overview

High Energy Batteries (India) Limited is a Public Limited Company. The Company is incorporated under The Companies Act, 1956 and is domiciled in India. Its Registered Office is located at 'Esvin House', No. 13, Old Mahabalipuram Road, Seevaram Village, Perungudi, Chennai – 600 096. The Company is a battery manufacturer with its factory located at Mathur, near Trichy. The batteries are manufactured for use in Indian Army, Navy, Air Force and Launch Vehicles. The Company also has the facility to manufacture commercial batteries for auto and standby VRLA Applications. The Company's shares are listed in BSE Ltd. The Company is classified under "Small" category for the year 2025-26 vide MSME UDYAM Registration No.UDYAM-TN-02-0000445.

1.2 Statement of compliance

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

1.2a Recent accounting pronouncements

Major Amendments to the Companies (Indian Accounting Standards) Rules, 2015 issued since 1st April 2025 are as below:

In May 2025, MCA notified amendments to IND AS 21 - The Effects of Change in Foreign Exchange Rates, (a) specifying how to assess whether a currency is exchangeable or not, (b) providing guidance for determining spot exchange rate when there is lack of currency exchangeability and (c) related disclosures to help users understand the financial impact.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements. It requires classification of liabilities as current or non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date. Instead, it requires that the said right should exist on the reporting date and have substance. Only covenants required to be complied with on or before the reporting date are relevant. Additional guidance and enhanced disclosures have been introduced for liabilities subject to covenants for determining such classification.
2. Ind AS 7, Statement of Cash Flows and Ind AS 107. Financial Instruments - Disclosures. The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 amendment requires to add supplier finance arrangements as a factor that may cause concentration of liquidity risk.

The effective date for adoption of the above amendments is annual period beginning on or after 1st April 2025. The Company has evaluated these amendments and there is no impact its financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

1.3 Basis of preparation

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

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

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

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

1.4 Current / Non-Current Classification

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

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

1.5 Property, Plant and Equipment (PPE)

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives and residual values are reviewed at the end of each reporting period and changes, if any, are treated as changes in accounting estimate. The useful lives are based on technical estimates and the management believes that the useful lives are realistic and fair approximation over the period of which the assets are likely to be used.

Estimated useful lives of the assets are as follows:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

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

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

1.6 Impairment of tangible assets

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

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

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

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

1.7 Revenue Recognition

Revenue from contract with customers

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

a. Revenue Recognition

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

Transfer of control

Transfer of control happens

- a) In respect of Aerospace, Naval and power system batteries on issue of Inspection Note by the customer and delivery to the common carrier and
- b) In respect of Lead Acid Batteries when the goods are delivered to the common carrier.
- c) In respect of Bill-and-hold arrangement, on satisfying all of the following criteria:
 - Reason for the bill-and-hold arrangement is substantive
 - Product is identified separately as belonging to the customer
 - Product is currently ready for physical transfer to the customer
 - The Company cannot have the ability to use the product or direct it to another customer

Development-cum-supply contracts

Revenue is recognized over a period of time based on output method and mile stones achieved when the performance obligations in respect of development work which is distinct and independent from supply of goods.

Revenue is recognized over a period of time under the input method and milestones achieved where developmental work and the supplies are inter-related or inter-dependent.

When substantial portion of the developmental work has not been completed, the amount of expenditure incurred on the development work such as employee benefits expense, materials and other direct expenses are carried forward as 'Work in progress'.

Significant financing component

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

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

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

Contract Assets (Included in Trade Receivables not due):

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

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

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

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

Impairment of Trade Receivables

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

b. Insurance Claims

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

1.8 Government grants

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

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

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

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

Export benefits are recognised as income in the year export is made. Entitlements pending realisation are disclosed under "Other Financial Assets".

In the case of merchant export, export benefits will be recognised in the year in which the Company is entitled to receive from the customer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

1.9 Inventories

Cost of raw materials and components, stores and spares is determined at cost on weighted average basis.

Loose tools are estimated to have useful life of three years and are charged to Statement of Profit and Loss in equal instalments over the useful life. Loose tools are carried at cost less amortization.

Finished goods are valued at lower of cost and net realisable value.

Work-in-progress is valued at cost and cost includes material, direct labour overheads (other than administrative overheads that do not contribute to bring the inventories to the present location and condition and selling costs) incurred in bringing the inventory to their present location and condition.

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

1.10 Employee Benefits

(a) Short term employee benefits

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

(b) Post-employment benefits

(i) Defined Contribution Plans

Contribution to Provident Fund (Defined Contribution Plan) as per the New Labour Codes is recognised as expense in the Statement of Profit and Loss and remitted to the Provident Fund Commissioner. The contribution to the Superannuation Fund (Defined Contribution Plan) is recognised as expense and funded with Life Insurance Corporation of India.

(ii) Defined Benefit Plans

The Company operates the Defined Benefit Gratuity Plan for employees. The cost of providing defined benefits is determined using the Projected Unit Credit Method with actuarial valuations being carried out at each reporting date. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if applicable. Any defined benefit asset (negative defined benefit obligations resulting from this calculation) is recognized representing the present value of available refunds and reductions in future contributions to the plan.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

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

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

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

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

1.11 Financial instruments

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

1.12 Financial assets

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

a. Classification of financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

All other financial assets are subsequently measured at fair value.

b. Investments in equity instruments at FVTOCI

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

The Company has equity investments which are not held for trading. The Company has elected the FVTOCI irrevocable option for these investments (see note 3). Fair value is determined in the manner specified Ind AS 113 - Fair value measurement.

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

c. Impairment of Financial Assets

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

1.13 Cash flow statement

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

1.14 Operating Segments

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

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

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

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

Inter segment revenue / expenditure – Not Applicable.

Geographical segment –Not Applicable.

Key Accounting estimates and judgments

1.15 Use of Estimates

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

1.16 Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

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

a. Useful life of Property, Plant and Equipment

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

b. Actuarial valuation

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

c. Impairment loss

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

2 Property, Plant and Equipment

Description	Gross Carrying Amount			Depreciation			Impairment *			Net Carrying Amount	
	As at 01-04-2025	Additions during the year	Deletions/Adjustment	As at 01-04-2025	Additions during the year	Deletions/Adjustment	As at 01-04-2025	Additions during the year	Deletions/Adjustment	As at 31.03.2026	As at 31.03.2025
	As at 31-03-2026	As at 31-03-2026	As at 31-03-2026	As at 31-03-2026	As at 31-03-2026	As at 31-03-2026	As at 31-03-2026	As at 31-03-2026	As at 31-03-2026	As at 31-03-2026	As at 31-03-2025
Land	2954.01	-	-	2954.01	-	-	2954.01	-	-	2954.01	2954.01
Building	480.17	76.10	-	556.27	148.37	26.34	174.71	-	-	381.56	331.80
Plant & Equipment	1586.26	68.65	11.17	1643.74	722.16	32.66	744.17	411.41	-	411.41	452.69
Furniture & Fixtures	29.64	1.01	-	30.65	5.02	2.80	7.82	0.07	-	0.07	24.55
Vehicles	51.29	37.69	11.75	77.23	19.93	3.49	11.16	12.26	-	64.97	31.36
Office Equipment	49.28	14.59	12.21	51.66	28.67	6.64	23.30	0.44	-	27.92	20.17
Electrical Installation	27.99	39.83	-	67.82	20.71	1.19	21.90	-	-	45.92	7.28
Computers	70.21	10.73	-	80.94	45.78	18.42	64.20	-	-	16.74	24.43
TOTAL	5248.85	248.60	35.13	5462.32	91.54	33.82	1048.36	411.92	-	411.92	3846.29

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

(ii) First Passu first charge (mortgage) over the land and building and hypothecation of Plant and machinery and other immovable fixed assets of the Company (both present and future) in favour of Banks towards working capital assistance.

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

Description	Gross Carrying Amount			Depreciation			Impairment			Net Carrying Amount	
	As at 01-04-2024	Additions during the year	Deletions/Adjustment	As at 01-04-2024	Additions during the year	Deletions/Adjustment	As at 01-04-2024	Additions during the year	Deletions/Adjustment	As at 31.03.2025	As at 31.03.2024
	As at 31-03-2025	As at 31-03-2025	As at 31-03-2025	As at 31-03-2025	As at 31-03-2025	As at 31-03-2025	As at 31-03-2025	As at 31-03-2025	As at 31-03-2025	As at 31-03-2025	As at 31-03-2024
Land	2954.01	-	-	2954.01	-	-	2954.01	-	-	2954.01	2954.01
Building	427.40	52.77	-	480.17	126.33	22.04	148.37	-	-	331.80	301.07
Plant & Equipment	1403.67	194.82	12.23	1586.26	691.84	39.34	722.16	296.32	115.09	411.41	415.51
Furniture & Fixtures	22.51	7.13	-	29.64	2.75	2.27	5.02	0.07	-	0.07	19.69
Vehicles	51.29	-	-	51.29	17.29	2.64	19.93	-	-	31.36	34.00
Office Equipment	41.57	7.71	-	49.28	23.28	5.39	28.67	0.44	-	0.44	17.85
Electrical Installation	26.94	1.05	-	27.99	20.65	0.06	20.71	-	-	7.28	6.29
Computers	57.06	13.15	-	70.21	34.64	11.14	45.78	-	-	24.43	22.42
TOTAL	4984.45	276.63	12.23	5248.85	916.78	82.88	990.64	296.83	115.09	411.92	3770.84

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

2 (a) Other Intangible Assets

₹ in Lakhs

Description	Gross Carrying Amount			Amortisation			Impairment			Net Carrying Amount		
	As at 01-04-2025	Additions during the year	Deletions/Adjustment	As at 31-03-2026	As at 01-04-2025	Deletions/Adjustment	As at 31-03-2026	As at 01-04-2025	Additions during the year	Deletions/Adjustment	As at 31-03-2026	As at 31-03-2025
Computer Software	52.01	1.31	-	53.32	18.14	17.91	36.05	-	-	-	17.27	33.87
TOTAL	52.01	1.31	-	53.32	18.14	17.91	36.05	-	-	-	17.27	33.87

₹ in Lakhs

Description	Gross Carrying Amount			Amortisation			Impairment			Net Carrying Amount		
	As at 01-04-2024	Additions during the year	Deletions/Adjustment	As at 31-03-2025	As at 01-04-2024	Deletions/Adjustment	As at 31-03-2025	As at 01-04-2024	Additions during the year	Deletions/Adjustment	As at 31-03-2025	As at 31-03-2024
Computer Software	28.92	23.09	-	52.01	10.02	8.12	18.14	-	-	-	33.87	18.90
TOTAL	28.92	23.09	-	52.01	10.02	8.12	18.14	-	-	-	33.87	18.90

Note No.2 (b) Capital work-in-progress

₹ in Lakhs

Description	Net Carrying Amount		
	As at 01-04-2025	Additions	Assets capitalised
Capital Work-in-progress	31.40	145.91	22.78
TOTAL	31.40	145.91	22.78

₹ in Lakhs

Description	Net Carrying Amount		
	As at 01-04-2024	Additions	Assets capitalised
Capital Work-in-progress	-	31.40	-
TOTAL	-	31.40	-

Ageing of Capital Work-in-progress

₹ in Lakhs

Particulars	As at 31-Mar-2026			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in Progress	123.13	31.40	-	-
Projects temporarily suspended	-	-	-	-
Total	123.13	31.40	-	-

₹ in Lakhs

Particulars	As at 31-Mar-2025			
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years
Projects in Progress	31.40	-	-	-
Projects temporarily suspended	-	-	-	-
Total	31.40	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

3 Investments

₹ in Lakhs

Particulars	No. of Shares	Face Value (₹)	As at 31.03.2026	As at 31.03.2025
Non Current Investments				
<u>A. Investments in Equity Instruments - at Fair Value through Other Comprehensive Income</u>				
<u>(i) Quoted Equity Shares:</u>				
Ponni Sugars (Erode) Limited	382	10	1.05	1.16
Seshasayee Paper and Boards Limited	106645	2	261.81	277.54
<u>(ii) Unquoted Equity Shares:</u>				
SPB Projects and Consultancy Limited	45000	10	4.51	4.51
GPC Technologies Limited				
- Cost	1500	10	0.15	0.15
- Provision for impairment			(0.15)	(0.15)
- Carrying value			-	-
Esvin Advanced Technologies Limited				
- Cost	830	10	0.08	0.08
- Provision for impairment			(0.08)	(0.08)
- Carrying value			-	-
Total			267.37	283.21
Aggregate amount of Quoted investments - at Cost			159.89	159.89
Aggregate amount of Quoted Investments - at Market Value			262.86	278.70
Aggregate amount of Unquoted Investments - at Cost			4.74	4.74
Aggregate amount of Impairment in Value of Investments			0.23	0.23
Refer Note 34 (B) for determination of fair value				

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

4 Other Financial Assets (Non-current)

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Security Deposit - Electricity	28.46	26.21
Bank deposits with more than 12 months maturity	1001.64	-
Deposit - Export Credit Guarantee Corporation	1.32	0.65
Telephone Deposits	0.25	0.25
Deposit - Others	1.47	1.38
Total	1033.14	28.49

5 Other Non-current Assets

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Capital advances	25.75	-
Advances other than capital advances - Advance Income Tax (Net of provision)	1.35	8.36
Prepaid Expenses	21.87	29.13
Total	48.97	37.49

6 Inventories *

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Raw Materials and Components #	2612.01	2354.40
Less: Provision for Impairment	71.94	67.18
	2540.07	2287.22
Work In progress	1476.36	1637.21
Less: Provision for Impairment	18.49	18.49
	1457.87	1618.72
Finished Goods	-	-
Less: Provision for Impairment	-	-
	-	-
Stores and Spares	64.94	69.47
Less: Provision for Impairment	4.47	4.47
	60.47	65.00
Loose Tools	49.42	18.63
Less: Provision for Impairment	-	-
	49.42	18.63
Total	4107.83	3989.57
Details of Finished goods		
Aero Space, Naval and Power System Batteries	-	-
Total	-	-

* See Note 1.9 for method of valuation

Includes material in transit - ₹ 71.23 Lakhs (Previous year - ₹ 63.44 Lakhs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

7 Trade Receivables

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Unsecured		
a) Considered good	2851.12	2673.61
b) Which have significant increase in Credit risk	-	-
c) Doubtful	-	-
	2851.12	2673.61
Allowance for doubtful receivables	-	-
Total	2851.12	2673.61

Trade Receivables ageing schedule

₹ in Lakhs

Particulars	As at 31-03-2026						Total
	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
UNDISPUTED							
(i) Considered good	2083.42	767.70	-	-	-	-	2851.12
(ii) Have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
DISPUTED							
(iv) Considered good	-	-	-	-	-	-	-
(v) Have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	-	-	-	-
	2083.42	767.70	-	-	-	-	2851.12
Less : Allowance for bad and doubtful debts							-
Total							2851.12

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

Trade Receivables ageing schedule

₹ in Lakhs

Particulars	As at 31-03-2025						Total
	Not Due	Outstanding for following periods from due date of payment					
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
UNDISPUTED							
(i) Considered good	1909.37	764.24	-	-	-	-	2673.61
(ii) Have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
DISPUTED							
(iv) Considered good	-	-	-	-	-	-	-
(v) Have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	-	-	-	-
	1909.37	764.24	-	-	-	-	2673.61
Less : Allowance for bad and doubtful debts							-
Total							2673.61

8 Cash and Cash Equivalents

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Balance with Banks	0.22	0.29
Cash on hand	1.06	1.88
Total	1.28	2.17

9 Bank Balances other than cash and cash equivalents

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Financial Assets - Bank Balances other than Cash and cash Equivalents		
Bank deposits with original maturity of more than 3 months but less than 12 months	-	320.17
Unpaid Dividend Accounts	5.42	3.71
Total	5.42	323.88

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

10 Other Current Financial Assets

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Interest Receivable	0.06	0.06
Advance to Employees	2.00	1.04
Rental Deposit	11.77	11.77
Due from Development Project Agencies	313.29	201.25
Grant Receivable - DRDO & CHT (Refer Note 33 (b))	365.28	157.43
Bank deposits with original maturity of more than 12 months maturing within a year *	68.92	183.84
Amounts recoverable from vendors #	-	4.58
Duty drawback receivable	-	0.29
Deposit - Others	-	19.10
Total	761.32	579.36

* Includes Deposits held as security by Banks - ₹ 68.92 Lakhs (Previous year ₹ 59.45 Lakhs)

Net of provision for doubtful amounts of ₹ 3.25 Lakhs (Previous year ₹ Nil)

11 Current Tax Assets (Net)

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Advance Income Tax (Net of provision)	-	62.27
Total	-	62.27

12 Non Financial Assets - Other Current Assets

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
<u>Unsecured Considered Good</u>		
Advances to Vendors	20.19	48.33
Prepaid Expense and Insurance	33.56	35.15
Gratuity fund	-	0.86
Balance with GST/Customs	1.66	0.02
Claims Receivable	2.76	8.19
Export benefits receivable	0.02	5.63
Material Receivable from Customers*	488.76	538.92
Total	546.95	637.10

* Net of provision for doubtful receivable of ₹ 30.60 Lakhs (Previous year ₹ Nil)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

13 Equity Share Capital

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Authorised Capital		
37500000 (31.03.2025 - 37500000) Equity Shares of ₹ 2 each	750.00	750.00
Issued, Subscribed and Fully paid up shares		
8963840 (31.03.2025 - 8963840) Equity Shares of ₹ 2 each	179.28	179.28
Total	179.28	179.28

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

Equity Shares

₹ in Lakhs

Particulars	As at 31.03.2026		As at 31.03.2025	
	Nos	Value	Nos	Value
At the beginning of the year	8963840	179.28	8963840	179.28
Outstanding at the end of the year	8963840	179.28	8963840	179.28

b) Terms / rights attached to Equity Shares:

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

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

Name of Shareholder	As at 31.03.2026		As at 31.03.2025	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
Seshasayee Paper and Boards Limited	1607842	17.94	1595368	17.80
Time Square Investments (P) Limited	832220	9.28	832220	9.28
Life Insurance Corporation of India (LICI ASM NON PAR)	537107	5.99	537107	5.99
Minal Bharat Patel	572180	6.38	572180	6.38
Ponni Sugars (Erode) Limited	500000	5.58	500000	5.58

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

d) Shares held by promoters at the end of the year 31.03.2026

Promoter Name	Number of Shares	Percentage of total Shares	Percentage change during the year
Seshasayee Paper and Boards Limited	1607842	17.94	0.14%
Time Square Investments (P) Limited	832220	9.28	Nil
Ponni Sugars (Erode) Limited	500000	5.58	Nil
Synergy Investments PTE Ltd	400000	4.46	Nil
Ultra Investments and Leasing Company Pvt Ltd	351000	3.92	Nil
Dhanashree Investments Private Limited	107105	1.19	0.02%
N Gopalaratnam	51000	0.57	Nil
S Sridharan	9660	0.11	Nil
D Jayaraman	1000	0.01	Nil
G A Pathanjali	500	0.01	Nil
Total	3860327	43.07	

Shares held by promoters at the end of the year 31.03.2025

Promoter Name	Number of Shares	Percentage of total Shares	Percentage change during the year
Seshasayee Paper and Boards Limited	1595368	17.80	1.63%
Time Square Investments (P) Limited	832220	9.28	Nil
Ponni Sugars (Erode) Limited	500000	5.58	Nil
Synergy Investments PTE Ltd	400000	4.46	Nil
Ultra Investments and Leasing Company Pvt Ltd	351000	3.92	Nil
Dhanashree Investments Private Limited	105105	1.17	Nil
N Gopalaratnam	51000	0.57	Nil
S Sridharan	9660	0.11	Nil
D Jayaraman	1000	0.01	Nil
G A Pathanjali	500	0.01	Nil
Total	3845853	42.91	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

e) Capital Management

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

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Equity	11150.24	9960.00
Debt	1155.61	1124.97
Cash and Bank balances except Unpaid Dividend Accounts	1.28	322.34
Net debt	1154.33	802.63
Total Capital (Equity+ Net debt)	12304.57	10762.63
Net debt to Capital Ratio	0.09	0.07

f) Dividend

₹ in Lakhs

Particulars	2025-26	2024-25
Dividend on equity shares paid during the year	268.92	268.92
Total	268.92	268.92

Proposed Dividend

The Board of Directors at its meeting held on 12-May-2026 has recommended payment of dividend of ₹ 3 (Rupees Three only) per Equity Share of face value of ₹ 2 each for the Financial Year ended 31st March 2026. The same amounts to ₹ 268.92 Lakhs (Previous year: ₹ 3 per Equity Share amounting to ₹ 268.92 Lakhs).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

14 Other Equity

₹ in Lakhs

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
	Capital Redemption Reserve	Securities Premium	General Reserve	Retained Earnings		
Balance as on 01st April, 2024	3.00	783.35	1700.00	5958.62	146.55	8591.52
Additions during the year 2024-25						
Profit for the year 2024-25	-	-	-	1532.99	-	1532.99
Items of OCI for the year (net of taxes)						
Remeasurement benefit of defined benefit plans	-	-	-	(46.43)	-	(46.43)
Net fair value gain on investment in equity shares	-	-	-	-	(28.44)	(28.44)
Reductions during the year 2024-25						
Dividend for FY 2023-24	-	-	-	268.92	-	268.92
Transfer to General Reserve	-	-	2000.00	(2000.00)	-	-
Balance as on 01st April, 2025	3.00	783.35	3700.00	5176.26	118.11	9780.72
Additions during the year 2025-26						
Profit for the year 2025-26	-	-	-	1539.18	-	1539.18
Items of OCI for the year (net of taxes)						
Remeasurement benefit of defined benefit plans	-	-	-	(64.77)	-	(64.77)
Net fair value gain on investment in equity shares	-	-	-	-	(15.25)	(15.25)
Reductions during the year 2025-26						
Dividend for FY 2024-25	-	-	-	268.92	-	268.92
Transfer to General Reserve	-	-	-	-	-	-
Balance as on 31st March, 2026	3.00	783.35	3700.00	6381.75	102.86	10970.96

Description of nature and purpose of each reserve:

Capital Redemption Reserve:

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

Securities Premium:

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

General Reserve:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

15 Provisions (Non-Current)

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Provision for Leave Benefits	51.02	44.66
Total	51.02	44.66

16 Deferred Tax Liability/(Asset)

₹ in Lakhs

Particulars	Balance as on 01.04.2025	Recognised in P&L during the year	OCI 2025-26	Balance as at 31.03.2026
Deferred Tax Liability on account of:				
Differences in WDV of PPE as per Books and Income Tax	48.95	(12.13)	-	61.08
Fair Value of land adopted as deemed cost	426.67	-	-	426.67
Total Deferred Tax Liability (A)	475.62	(12.13)	-	487.75
Deferred Tax Asset on account of:				
Disallowances under Sec. 43B and Other disallowances	21.05	4.69	-	25.74
Provision for impairment of inventories, trade receivables & others	36.89	7.68	-	44.57
Remeasurement of defined benefit plans	86.53	-	-	86.53
Income Tax Expense on gain on Fair valuation of investment in equity instruments through OCI	(0.64)	-	0.59	(0.05)
Total Deferred Tax Asset (B)	143.83	12.37	0.59	156.79
Net Deferred Tax Liability (A)-(B)	331.79	0.24	0.59	330.96

₹ in Lakhs

Particulars	Balance as on 01.04.2024	Recognised in P&L during the year	OCI 2024-25	Balance as at 31.03.2025
Deferred Tax Liability on account of:				
Differences in WDV of PPE as per Books and Income Tax	38.78	(10.17)	-	48.95
Fair Value of land adopted as deemed cost	426.67	-	-	426.67
Total Deferred Tax Liability (A)	465.45	(10.17)	-	475.62
Deferred Tax Asset on account of:				
Disallowances under Sec. 43B and Other disallowances	17.65	3.40	-	21.05
Provision for impairment of inventories, trade receivables & others	30.97	5.92	-	36.89
Remeasurement of defined benefit plans	86.53	-	-	86.53
Income Tax Expense on gain on Fair valuation of investment in equity instruments through OCI	(5.68)	-	5.05	(0.64)
Total Deferred Tax Asset (B)	129.47	9.32	5.05	143.83
Net Deferred Tax Liability (A)-(B)	335.98	(0.85)	5.05	331.79

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

17 Borrowings (Current)

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
<u>Secured Loans</u>		
<u>Working Capital Borrowings from Banks</u>		
Loan Repayable on Demand	1155.61	1124.97
Total	1155.61	1124.97

Working Capital Borrowings from Banks are secured by :

- Pari passu first charge on the entire current assets of the company, namely stocks of Raw Materials, semi finished goods, and Finished Goods, Stores and Spares not relating to Plant and Machinery (Consumable stores and spares) including book debts and Equitable Mortgage by way of deposit of title deeds and hypothecation over the land and building, Plant and machinery and other immovable fixed assets of the Company.
- Lien on Fixed Deposits (including interest) aggregating to ₹ 68.92 Lakhs (Previous year ₹ 59.45 Lakhs)

18 Trade Payables

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
a) Total Outstanding dues of micro enterprises and small enterprises	93.76	143.69
b) Total Outstanding dues of creditors other than micro enterprises and small enterprises	239.60	332.15
Total	333.36	475.84

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
i) Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year (but within due date as per the MSME Act)		
a) Principal amount due to Micro, Small & Medium enterprise	93.74	143.67
b) Interest due on above	0.02	0.02
ii) Interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	0.02	0.44
iii) Amount of Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
iv) Interest accrued and remaining unpaid at the end of each accounting year	0.02	0.02
v) Further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

Trade Payable ageing schedule

Particulars	Not due	As at 31-03-2026				₹ in Lakhs
		Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 Years	2- 3 Years	More than 3 years	
(i) MSME	93.76	-	-	-	-	93.76
(ii) Others	185.97	52.55	-	-	1.08	239.60
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
TOTAL	279.73	52.55	-	-	1.08	333.36

Particulars	Not due	As at 31-03-2025				₹ in Lakhs
		Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 Years	2- 3 Years	More than 3 years	
(i) MSME	143.69	-	-	-	-	143.69
(ii) Others	122.27	208.80	-	-	1.08	332.15
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
TOTAL	265.96	208.80	-	-	1.08	475.84

19 Other Financial Liabilities

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Employee benefits payable	274.01	406.91
Directors Remuneration Payable	18.90	16.20
Unpaid Dividends *	5.42	3.71
Payable for capital expenditure	27.34	-
Expenses Payable	1.99	2.12
Total	327.66	428.94

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

20 Non Financial Liability - Other Current Liabilities

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Advance received from customers #	0.59	0.59
GST Payable	144.52	44.63
Tax Deducted at Source	19.50	16.69
Other Statutory Liabilities	13.28	12.09
Recoveries Payable to LIC	1.11	1.04
Total	179.00	75.04

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

21 Provisions (Current)

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Provision for Leave Benefits	43.23	30.97
Provision for Gratuity	157.26	-
Provision for Liquidated Damages (Refer Note No. 38)	48.40	56.50
Total	248.89	87.47

22 Current Tax Liabilities (Net)

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
Current Tax Liabilities	20.50	-
Total	20.50	-

23 a. Revenue from Sale of Products and Services

₹ in Lakhs

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Aerospace, Naval and Power System Batteries		
Sale of Products		
Silver Zinc Batteries & Cells	7637.78	7741.65
Nickel Cadmium Cells	649.96	302.95
	8287.74	8044.60
Sale of Services		
Silver Zinc Batteries & Cells	22.50	30.62
Total	8310.24	8075.22

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

23 a. Revenue from Sale of Products and Services Contd.

₹ in Lakhs

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Disclosures relating to Revenue from Contract with Customers		
Gross Revenue from Customers	8310.24	8075.22
Revenue as per Statement of Profit and Loss	8310.24	8075.22
a) Geographical Region		
Domestic	8285.94	6853.14
Export	24.30	1222.08
Total	8310.24	8075.22
b) Type of Customers		
Government / Government Undertaking	6196.19	6773.00
Others	2114.05	1302.22
Total	8310.24	8075.22

Revenue recognised during the year from opening advances - ₹ Nil (Previous year - ₹ 146.48 Lakhs)

23 b. Other Operating Revenues

₹ in Lakhs

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Other Operating Revenues (Refer Note No.33)	42.40	24.60
Total	42.40	24.60

24 Other Income

₹ in Lakhs

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Interest Income on Financial Assets carried at amortised cost		
- Bank Deposits	35.21	12.38
- TNEB Deposits	1.83	1.65
- Income Tax refund	6.91	3.76
Dividend Income from Equity Investments measured at FVTOCI	2.68	2.61
Profit on sale of Property, Plant and Equipment	3.80	-
Exchange Difference (Net)	22.50	0.38
Government Grant (Refer Note no. 33)	515.12	550.36
Miscellaneous Income	0.13	0.12
Total	588.18	571.26

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

25 Cost of Materials consumed

₹ in Lakhs

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Silver	311.33	403.70
Copper	68.97	69.06
Others	334.47	617.57
Components of Various Descriptions	1582.41	1256.78
Total	2297.18	2347.11

26 Changes in Inventories of Finished Goods, Stock-in-trade and Work in Progress

₹ in Lakhs

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Inventory at the end of the year		
- Work in progress	1476.36	1637.21
- Finished Goods	-	-
	1476.36	1637.21
Inventory at the beginning of the year		
- Work in progress	1637.21	1604.51
- Finished Goods	-	-
	1637.21	1604.51
(Increase) / Decrease in Inventory	160.85	(32.70)

27 Employee Benefits Expense

₹ in Lakhs

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Salaries, Wages and Bonus	1874.33	1739.72
Contribution to Provident and Other Funds (Refer Note no. 1.10)	99.48	74.18
Staff welfare Expenses	219.34	169.36
Total	2193.15	1983.26

28 Finance costs

₹ in Lakhs

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Interest on Borrowings	122.78	79.91
Interest on MSME Parties	0.02	0.02
Other Borrowing cost - BG, LC commission and Commitment charges	62.43	66.30
Interest on Deferment of Advance Tax	0.20	-
Interest on delayed payment of Statutory dues	0.14	2.05
Total	185.57	148.28

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

29 Other Expenses

₹ in Lakhs

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Consumption of Stores and Spares	60.33	55.14
Power and Fuel	167.09	145.56
Repairs and Maintenance		
- Plant and Machinery	42.53	20.39
- Buildings	41.76	18.59
- Others	77.25	64.98
Selling expenses	81.47	124.13
Expenditure on Scientific Research (Refer Note no. 33)	527.04	751.41
Travelling and Conveyance	115.67	147.47
Payment to Auditors (Refer Note no. 31)	26.85	25.43
Professional and Legal Charges	203.00	186.54
Testing Charges	24.09	23.84
Remuneration to Non-executive Directors	21.00	25.00
Miscellaneous Expenses	322.36	284.22
Corporate Social Responsibility expenses	52.27	50.17
Claims	1.81	2.27
Liquidated Damages	(8.09)	11.74
Loss on Sale of Property, Plant and Equipment	0.21	1.54
Provision for Non Moving Inventories	4.76	12.90
Provision for doubtful advances	33.86	-
Reversal of Provision for Non Moving Inventory	-	(1.06)
Provision for impairment - Lead Acid Batteries Division		
- Property, Plant and Equipment	-	115.09
Asset discarded	-	0.40
Total	1795.26	2065.75

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

30 Tax Expense

a) The Major components of Income tax Expense for the year are as under: ₹ in Lakhs

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Tax expenses recognised in the Statement of Profit and Loss		
Current Tax		
Current Tax on the taxable income for the year	535.76	534.54
Total (A)	535.76	534.54
Deferred Tax comprises:		
Liability on account of depreciation	12.13	10.17
Asset - Sec 43B Disallowances and other Temporary differences	(4.69)	(3.41)
Others	(7.68)	(5.91)
Total (B)	(0.24)	0.85
Total Tax Expense (A+B)	535.52	535.39

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

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Applicable Income tax rate in India applicable to the Company	25.168%	25.168%
Profit Before Tax	2074.70	2068.38
Tax expenses on Profit Before Tax at the Applicable Income tax rate	522.16	520.57
Tax effect of the amounts which are not deductible / (not taxable) in calculating taxable income		
Tax on difference in Depreciation between Books and Income Tax	(5.48)	(7.24)
Tax on Disallowance u/s 43B (Net of earlier year disallowances allowed during the year) and other Temporary Differences	5.51	7.98
Tax on Permanent Differences	13.33	14.08
Total Tax for the Year	535.52	535.39
Effective income tax rate	25.812%	25.885%

c) Taxes on items of OCI ₹ in Lakhs

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
A. Items that will not be reclassified to Statement of Profit and Loss		
(i) Income tax expense on remeasurement benefit of the defined benefit plans	21.79	15.62
(ii) Income Tax Expense on Net Fair Value Gain/(Loss) on investment in equity instruments	0.59	5.05
B. Items that will be reclassified to Statement of Profit and loss	-	-
Total	22.38	20.67

d) **Applicable Tax Rate**

The Company has exercised the option under Section 115BAA of the Income Tax Act, 1961 and the applicable tax rate is 25.168%.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

31 Payment to Auditors

₹ in Lakhs

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Statutory Audit Fees	14.00	14.00
Tax Representation	2.50	2.50
Certification Charges	6.91	7.16
Reimbursement of Expenses	3.44	1.77
Total	26.85	25.43

32 Contingent Liabilities and Commitments

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
(a) Contingent Liabilities	Nil	Nil
(b) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital accounts not provided for	207.76	166.23
(ii) Silver supplied by Government secured by Bank Guarantee and is not included in Inventories	-	399.88
(iii) Assets controlled by customers in possession of the Company	866.00	820.30

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

33 Government Grant and Research & Development

₹ in Lakhs

Particulars	Treatment in Accounts	Year ended 31.03.2026	Year ended 31.03.2025
(a) DRDO Development Project	Included in other income (Note 24)	402.58	193.66
(b) CHT Development Project 1	Included in other income (Note 24)	4.13	138.88
(c) CHT Development Project 2	Included in other income (Note 24)	108.41	217.82
		515.12	550.36
(d) Duty Draw back from Customs and other export benefits received	Included in other operating revenue (Note 23 b)	0.52	21.93
Total		515.64	572.29

Expenditure on Scientific Research

₹ in Lakhs

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
a) Expenditure		
In-house Programs	150.92	344.77
Other Programs	376.12	406.64
Total	527.04	751.41

₹ in Lakhs

Particulars	As at 31.03.2026	As at 31.03.2025
b) Asset/Liability		
Grant Receivable - Asset (Refer Note 10)	365.28	157.43
Total Asset	365.28	157.43
Grant Received in Advance	-	-
Total Liability	-	-

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

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

₹ in Lakhs

Particulars	Refer Note	Non-current		Current	
		As at 31.03.2026	As at 31.03.2025	As at 31.03.2026	As at 31.03.2025
Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)					
Investments in Quoted Equity Shares	3	262.86	278.70	-	-
Investments in Unquoted Equity Shares	3	4.51	4.51	-	-
Total		267.37	283.21	-	-
Financial Assets measured at amortised cost					
Others	4 & 10	1033.15	28.49	761.32	579.36
Trade Receivables	7	-	-	2851.12	2673.61
Cash and Cash Equivalents	8	-	-	1.28	2.17
Other Balances with Banks	9	-	-	5.42	323.88
Total		1033.15	28.49	3619.14	3579.02
Financial Liabilities measured at amortised cost					
Loans repayable on demand - Cash Credit	17	-	-	1155.62	1124.97
Trade Payables	18	-	-	333.36	475.84
Unpaid/Unclaimed Dividend	19	-	-	5.42	3.71
Others	19	-	-	322.24	425.23
Total		-	-	1816.64	2029.75

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

34 (B) : Fair value Measurements

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

As at 31st March, 2026

₹ in Lakhs

Financial Assets/Financial Liabilities	Fair value as at 31.03.2026	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through Other Comprehensive Income				
Investments in quoted equity shares (Refer Note 3)	262.86	262.86	-	-
Investments in unquoted equity shares - Other Entities (Refer Note 3)	4.51	-	-	4.51

As at 31st March, 2025

₹ in Lakhs

Financial assets	Fair value as at 31.03.2025	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through Other Comprehensive Income				
Investments in quoted equity shares (Refer Note 3)	278.70	278.70	-	-
Investments in unquoted equity shares - Other Entities (Refer Note 3)	4.51	-	-	4.51

(ii) **Financial Instrument measured at Amortised Cost**

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

34 C : Financial Risk Management - Objectives and Policies

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

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

1) Market Risk:

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

a) Interest Rate Risk exposure

The Company is having Working Capital facility limit of ₹ 3000 lakhs with Banks which includes Bill discounting also. The present interest rate is @ 7.75% per annum for both UCO Bank and Punjab National Bank, depending upon the change in the Banks' MCLR.

Interest Rate Sensitivity analysis

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

₹ in lakhs

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

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

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

The Company is also exposed to the risk of interest rate fluctuations on the rate of return on fixed deposits of ₹ 1070.55 Lakhs as at 31st March 2026, maintained with the Bankers.

The Company's investment in fixed deposit with Banks is only on fixed interest rate terms and hence, there is no exposure to future interest rate movement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

b) Foreign currency risk exposure

The Company imports Silver Bullion, Silver Foil, Magnesium Sheets, other Raw materials and Stores and spares for which payables are denominated in foreign currency. The Company is exposed to foreign currency risk on these transactions. Since the Company imports materials mostly on advance payment basis, the Company does not perceive major risk and accordingly they are not hedged. As at 31st March 2026, the Company had a payable of EUR 30,600 (₹ 33.36 Lakhs) [Previous year: USD 156,580 (₹ 129.74 Lakhs)].

In respect of batteries, exports are made against advances received or against confirmed LCs of usance period not exceeding 90 days. As at 31st March 2026, the Company had a receivable of USD 15,960 (₹15.11 Lakhs) [Previous year: USD 155,750 (₹132.81 Lakhs) and EUR 454,700 (₹ 417.87 Lakhs)].

1) Credit Risk

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

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

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

3) Liquidity risk

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

The Company manages the liquidity risk by –

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

34. (D) Additional Regulatory Information:

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

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

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

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

(ii) Borrowings secured against current assets

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

For the year ended 31.03.2026

₹ in Lakhs

Quarter	Name of the Bank	Particulars of Security provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-25	UCO Bank	Current Assets	5571.24	5571.24	-	-NA-
Sep-25	UCO Bank	Current Assets	6382.34	6382.34	-	-NA-
Dec-25	UCO Bank	Current Assets	7464.51	7464.51	-	-NA-
Mar-26	UCO Bank	Current Assets	6958.95	6958.95	-	-NA-

For the year ended 31.03.2025

₹ in Lakhs

Quarter	Name of the Bank	Particulars of Security provided	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancies
Jun-24	UCO Bank	Current Assets	5780.48	5780.48	-	-NA-
Sep-24	UCO Bank	Current Assets	4644.85	4644.85	-	-NA-
Dec-24	UCO Bank	Current Assets	5560.61	5560.61	-	-NA-
Mar-25	UCO Bank	Current Assets	6663.18	6663.18	-	-NA-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

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

(iii) Analytical Ratios

₹ in Lakhs

Sl. No.	Particulars	Year ended 31.03.2026		Year ended 31.03.2025		Explanation for the change in Ratios by more than 25% from previous year
(a)	Current ratio (times)		3.65		3.77	
	<u>Current Assets</u>	<u>8273.92</u>		<u>8267.96</u>		
	Current Liabilities	2265.02		2192.26		
(b)	Debt-equity ratio (times)		0.10		0.11	
	<u>Total Debt /</u>	<u>1155.61</u>		<u>1124.97</u>		
	Shareholders' Equity	11047.38		9841.89		
	<i>(Note : Debt includes current and non-current borrowings)</i>					
(c)	Debt service coverage ratio (times)		9.90		12.82	Increase in short term borrowings
	<u>Earnings available for debt service</u>	<u>1835.17</u>		<u>1901.14</u>		
	Debt Service	185.37		148.28		
(d)	Return on equity ratio		14.74%		16.60%	
	<u>Net Profits after taxes – Preference Dividend</u>	<u>1539.18</u>		<u>1532.99</u>		
	Average Shareholders' Equity	10444.64		9233.07		
(e)	Inventory turnover ratio (times)		1.60		1.58	
	<u>Cost of goods sold or sales</u>	<u>6469.66</u>		<u>6202.96</u>		
	Average Inventory	4048.70		3934.33		
(f)	Trade receivables turnover ratio (times)		3.01		3.43	
	<u>Net Credit Sales</u>	<u>8310.24</u>		<u>8075.22</u>		
	Avg. Accounts Receivable	2762.37		2356.22		
(g)	Trade payables turnover ratio (times)		16.28		15.43	
	<u>Net Credit Purchases</u>	<u>6587.92</u>		<u>6313.44</u>		
	Average Trade Payables	404.60		409.15		
(h)	Net capital turnover ratio (times)		1.38		1.33	
	Net Sales	8310.24		8075.22		
	Working Capital	6008.90		6075.70		
(i)	Net profit ratio		18.52%		18.98%	
	<u>Net Profit</u>	<u>1539.18</u>		<u>1532.99</u>		
	Net Sales	8310.24		8075.22		
(j)	Return on capital employed		18.03%		19.62%	
	<u>Earning before interest and taxes</u>	<u>2260.27</u>		<u>2216.66</u>		
	Capital Employed	12533.95		11298.65		
(k)	Return on investment		2.82%		-4.03%	Higher yield on Fixed deposits and higher allocation of Fixed deposits in the investment
	<u>Income from Investments including fair value change</u>	<u>22.05</u>		<u>-20.06</u>		
	Investments	782.51		497.83		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

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

(iv) CORPORATE SOCIAL RESPONSIBILITY EXPENSES

₹ in Lakhs

Sl. No.	Particulars	2025-26	2024-25
	Disclosure with regard to CSR activities		
(i)	Gross amount required to be spent by the Company during the year	49.71	49.11
(ii)	amount of expenditure incurred	52.27	50.17
	(a) Construction/acquisition of any asset	32.93	16.01
	(b) On purposes other than (a) above	19.34	34.16
(iii)	shortfall at the end of the year	-	-
(iv)	total of previous year's shortfall	-	-
(v)	reason for shortfall	NA	NA
(vi)	nature of CSR activities		
	Promoting Education	16.20	16.01
	Promoting health care	10.38	21.13
	Rural development activities	22.69	10.03
	Contribution to War Veterans	3.00	3.00
(vii)	details of related party transactions	Nil	Nil
(viii)	where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA
(ix)	Excess amount spent during the year and carried forward to next year	2.56	1.06

35 Impairment Assessment of Property, Plant and Equipment (PPE)

Lead Acid Batteries Division operation continued to remain suspended during the year. Impairment provision of ₹ 411.92 Lakhs was recognised till 31st March 2025, after retaining the realisable value as certified by a Registered Valuer. No further provision is considered for impairment during this year (Previous year: ₹ 115.09 Lakhs). There was no reversal of impairment provision during the year (Previous year: ₹ Nil).

₹ in Lakhs

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Impairment of PPE (other than land)	-	115.09

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

36 Information on Related party transactions as required by Ind AS 24 - Related Party Disclosure for the year ended 31st March 2026

A. Related Party as per Companies Act, 2013

Name
Time Square Investments Private Limited
Seshasayee Paper and Boards Limited
Dhanashree Investments Private Limited
Ultra Investments and Leasing Co. Private Limited

B. Entities where Directors have significant influence

Esvi International (Engineers & Exporters) Limited
--

C. Key Managerial Personnel

i.	Dr. G A Pathanjali	Managing Director
ii.	Mr. M Ignatius	Director (Operations)
iii.	Mr. R Swaminathan	Chief Financial Officer
iv	Board of Directors	
	Name	Designation
	Mr. N Gopalaratnam	Chairman
	Mrs. Lalitha Lakshmanan	Director
	Dr. R Subrahmaniya Sivam	Director
	Dr. Vijayamohanan K Pillai	Director
	Cmdr. Saroj Kumar Patel (Retd.)	Director
	Mr. N P Sinha (till 31-Jan-2026)	Director (Nominee of LIC)
	Mr.C.V.Ramana (from 31-Jan-2026)	Director (Nominee of LIC)

D. Transactions with related parties

₹ in Lakhs

Particulars	Esvi International (Engineers & Exporters) Limited		Seshasayee Paper and Boards Limited	
	Year ended 2025-26	Year ended 2024-25	Year ended 2025-26	Year ended 2024-25
Transaction Details				
Rent paid	5.40	5.40	-	-
Purchase of paper	-	-	-	0.54
Expenses reimbursed	-	-	-	0.92
Balance at the year end	-	-	-	-
<u>Investment in the related party by the Company:</u>				
No. of Equity shares invested by the Company	-	-	106645	106645
Equity shares invested by the Company (%)	-	-	0.18%	0.18%
<u>Liabilities:</u>				
Rental Deposit	3.00	3.00	-	-
<u>Investment by the related party in the Company:</u>				
No. of Equity shares held by the related party	-	-	1607842	1595368
Equity shares held by the related party (%)	-	-	17.94%	17.80%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

₹ in Lakhs

Particulars	Ultra Investments and Leasing Co. Private Limited	
	Year ended 2025-26	Year ended 2024-25
Transaction Details		
Service availed	0.48	1.26
Balance at the year end		
Assets:		
Amount receivable	-	10.77
Liabilities:		
Payable for service availed	-	-
Investment by the related party in the Company:		
No. of Equity shares held by the related party	351000	351000
Equity shares held by the related party (%)	3.92%	3.92%

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

₹ in Lakhs

Current Year 2025-26	Dr. G A Pathanjali	Mr. M Ignatius	Mr.R Swaminathan
Short term employee benefits	77.22	55.50	40.83
Post Employee benefits (Gratuity) & Long term benefits (Superannuation Fund)	5.40	-	-
Contribution to Provident Fund	4.32	-	-
Total	86.94	55.50	40.83

Previous Year 2024-25	Dr. G A Pathanjali	Mr. M Ignatius	Mr.R Swaminathan
Short term employee benefits	77.19	47.04	35.00
Post Employee benefits (Gratuity) & Long term benefits (Superannuation Fund)	5.40	-	-
Contribution to Provident Fund	4.32	-	-
Total	86.91	47.04	35.00

(b) Sitting Fees/Remuneration to Directors:

₹ in Lakhs

Particulars	Year ended 2025-26	Year ended 2024-25
Sitting fees	24.30	22.80
Remuneration to Non-Executive Directors	21.00	25.00
Total	45.30	47.80

37 Earnings per Share

₹ in Lakhs

Particulars	Year ended 2025-26	Year ended 2024-25
Profit after Tax	1539.18	1532.99
Weighted average number of Shares	8963840	8963840
Face value per Share	₹ 2	₹ 2
Basic earnings per Share (₹)	17.17	17.10
Diluted earnings per Share (₹)	17.17	17.10

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

38 Disclosures relating to Provisions

₹ in Lakhs

Particulars	Provision for Liquidated Damages	
	Year ended 31.03.2026	Year ended 31.03.2025
Opening Balance	56.50	44.76
Additions	3.65	11.74
Utilisation	-	-
Reversal	11.74	-
Closing Balance	48.41	56.50

39 Employee Benefits

(i) Defined Contribution Plans:

The Company makes Provident Fund and Superannuation Fund contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 61.83 Lakhs (Year ended March 31, 2025 ₹ 53.32 Lakhs) for Provident Fund contributions and ₹ 5.40 Lakhs (Year ended March 31, 2025 ₹ 5.40 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the Schemes.

(ii) Defined Benefit Plans:

Gratuity (Funded)

In respect of Gratuity, Actuarial valuation of Plan Assets and the defined benefit obligation as on the reporting date is carried out by an Actuary. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit method. The following table sets forth the status of the Gratuity Plan and the benefit Scheme of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit through annual contributions to the funds managed by the Life Insurance Corporation of India.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk:

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk:

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

Salary Escalation Risk:

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

Demographic Risk:

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

₹ in Lakhs

Particulars	Post Employment Benefit - Funded plan	
	2025-26	2024-25
(i) Changes in Defined Benefit Obligation		
Present Value of Opening Balance	373.87	316.28
Current Service Cost	25.03	15.20
Past service cost - vested	124.66	-
Interest Cost	22.63	20.66
Actuarial (Gain)/Loss	88.88	61.45
Benefits paid	(82.17)	(39.72)
Present Value - Closing Balance	552.89	373.87
(ii) Changes in the Fair Value of Plan Assets		
Opening Balance	374.73	331.25
Other adjustments	-	-
Expected Return	25.25	23.80
Actuarial (gain) / loss	2.32	(0.59)
Contributions by employer	75.50	60.00
Benefits paid	(82.17)	(39.73)
Closing Balance	395.63	374.73
(iii) Amounts recognised in the Balance Sheet (as at year end)		
Present Value of Obligations	552.89	373.87
Fair Value of Plan Assets	395.63	374.73
Net Asset / (Liability) recognised	(157.26)	0.86
(iv) Expenses recognised in the Statement of Profit and Loss		
Current Service Cost	25.03	15.20
Interest on obligation	(2.63)	(3.13)
Past service cost	124.66	-
Total included in Employee benefit expense	147.06	12.07
(v) Expenses recognized in Other Comprehensive Income		
Remeasurement on the net defined benefit liability		
- Actuarial Gain and Loss arising from changes in demographic adjustment	3.94	-
- Actuarial Gain and Loss arising from changes in financial Assumption	(96.21)	2.63
- Actuarial Gain and Loss arising from changes in experience adjustment	181.15	58.82
Return on plan assets	2.32	(0.60)
Net cost in Other Comprehensive Income	86.56	62.05
Asset information		
- Insurer managed	100%	100%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

Principal actuarial assumptions

Particulars	Year ended 31.03.2026	Year ended 31.03.2025
Mortality	Indian assured Lives Mortality (2012-2014)	
Discount rate (%)	7.20%	6.80%
Future Salary increase (%)	3.50%	7.00%
Expected Rate of return of plan assets (%)	6.80%	6.97%
Expected average remaining working lives of employees (years)	24.35	19.86

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

The sensitivity analysis below has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	31.03.2026	31.03.2025
Discount Rate		
- 1% Increase	19.98	17.32
- 1% Decrease	(17.93)	(14.52)
Salary Growth Rate		
- 1% Increase	19.32	16.15
- 1% Decrease	(18.34)	(15.10)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the Projected Unit Credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The Company's best estimate of the contribution expected to be paid to the plan during the next year is ₹ 157.66 Lakhs (Previous year ₹ 20.00 Lakh).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

40 Segment Reporting

Factors used to identify Reporting Segments:

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

Reportable Segment	Products Offered
Aerospace, Naval and Power System Batteries	Silver-based and Nickel-based Batteries are manufactured in this segment, the customers in majority being the Defence Ministry of Indian Government.
Lead Acid Batteries	Batteries for commercial application are manufactured in this segment.

The measurement principles of segment are consistent with those used in Material Accounting Policy Information.

There is no Inter-Segment transfer.

₹ in Lakhs

Particulars	Year 2025-26			Year 2024-25		
	Silver Zinc	LAB	Total	Silver Zinc	LAB	Total
A. Segment Revenue	8352.64	-	8352.64	8098.97	0.85	8099.82
B. Segment Results	2135.85	(61.15)	2074.70	2247.74	(179.36)	2068.38
C. Specified Amounts included in Segment Results						
(i) Depreciation	100.12	9.33	109.45	68.00	23.00	91.00
D. Reconciliation of Segment Result with Profit After Tax						
Segment Results	2333.19	(61.15)	2272.04	2427.20	(179.36)	2247.84
Add/(Less):						
Interest Income			37.04			14.03
Finance Cost			(185.57)			(148.28)
Dividend Received			2.68			2.61
Income Tax Expenses			(535.52)			(535.39)
Other Unallocable Expenses net of Unallocable Income			(51.49)			(47.82)
Total of Unallocable Items			(732.86)			(714.85)
Profit after tax as per Statement of Profit and Loss			1539.18			1532.99

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

₹ in Lakhs

Particulars	As at 31.03.2026			As at 31.03.2025		
	Silver Zinc	LAB	Total	Silver Zinc	LAB	Total
E. Other Information						
Segment Assets	13374.51	154.01	13528.52	12010.48	164.39	12174.87
Unallocable Assets			268.72			353.84
Total Assets			13797.24			12528.71
Segment Liabilities	2314.61	0.75	2315.36	2235.36	0.88	2236.24
Unallocable Liabilities			331.64			332.47
Total Liabilities			2647.00			2568.71
Provision for impairment made during the year						
Inventories	4.76	-	4.76	12.90	-	12.90
Property, Plant and Equipment	-	-	-	-	115.09	115.09

F Revenue from External Customers:

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

Lead Acid Batteries Division operation continued to remain suspended due to unremunerative prices.

41 Exceptional item

The Government of India, in November 2025, notified four Labour Codes that replaced the existing 29 labour laws. Additional liability of ₹ 124.66 Lakhs arising therefrom towards gratuity and leave benefits has been recognised under “Exceptional item” in these financial statements.

42 Authorisation for issue of Financials

The financial statements have been authorised for issue by the Board of Directors at the Board Meeting held on 12-May-2026.

Vide our Report of even date
For **M/s. Maharaj N R Suresh and Co LLP**
Chartered Accountants
Firm Reg No: 001931S/S000020
N.R.Jayadevan
Partner
M.No: 023838
UDIN : 26023838MPFAYJ6560

N.GOPALARATNAM
(DIN:00001945)
Chairman

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

M.IGNATIUS
(DIN:08463140)
Director (Operations)

Dr. R SUBRAHMANYA SIVAM
(DIN:02393209)
Dr. VIJAYAMOHANAN K PILLAI
(DIN:07308120)

C V RAMANA
(DIN:11517220)

R.SWAMINATHAN
Chief Financial Officer

Cmdr.SAROJ KUMAR PATEL (Retd.)
(DIN:10474393)

JAYASHREE AJIT SHANKAR
(DIN:08397093)

Directors

V.ANANTHA SUBRAMANIAN
Secretary

Chennai
12-05-2026

Financial Highlights – Ten Years at a Glance

(₹ in Lakhs, unless stated otherwise)

For the Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
Total Income	4817.86	5983.13	4675.03	6166.02	7795.41	7973.16	9356.02	8163.18	8671.08	8940.82
Total Expenditure	4154.17	4801.19	3942.26	4602.60	4771.67	5007.72	6173.88	5558.47	6363.42	6741.46
PBIDT	663.69	1181.94	732.77	1563.42	3023.74	2965.44	3182.14	2604.71	2307.66	2369.72
Finance Cost	417.40	590.27	552.58	566.35	512.49	378.09	314.76	196.41	148.28	185.57
Depreciation	132.01	128.64	123.63	115.98	112.43	113.45	118.62	97.26	91.00	109.45
Profit before exceptional items	114.28	463.03	56.56	881.09	2398.82	2473.90	2748.76	2311.04	2068.38	2199.36
Exceptional items	-	-	-	-	-	-	-	-	-	124.66
PBT	114.28	463.03	56.56	881.09	2398.82	2473.90	2748.76	2311.04	2068.38	2074.70
Tax	(200.32)	134.57	12.93	320.90	565.89	678.92	699.25	595.17	535.39	535.52
PAT	(86.05)	328.46	43.63	560.19	1832.93	1794.98	2049.51	1715.87	1532.99	1539.18
Other Comprehensive Income	52.90	12.69	(7.04)	(46.49)	(14.99)	(150.44)	(1.70)	20.55	(74.87)	(80.82)
Total Comprehensive Income	(33.15)	341.16	36.59	513.70	1817.94	1644.54	2047.81	1736.42	1458.12	1459.16
EPS (₹)	(4.80)	18.32	2.43	31.25	102.24	100.12	*22.86	*19.14	*17.10	* 17.17
Cash EPS (₹)	5.51	25.50	9.33	37.72	108.51	106.45	*24.19	*20.23	*18.12	* 18.39
Dividend %	-	-	-	-	150	150	175	150	150	150
As at year end										
Net Block	3381.23	3281.67	3174.20	3103.95	3073.76	3013.10	3775.38	3770.84	3846.29	4002.04
Loan Funds	2704.95	2592.14	2858.01	2198.68	2790.68	2452.65	2084.66	477.07	1124.97	1155.61
Net Worth	1484.23	1825.39	1861.98	2375.68	4193.63	5569.25	7348.14	8770.80	9960.00	11150.24
No of Outstanding shares	1792768	1792768	1792768	1792768	1792768	1792768	*8963840	*8963840	* 8963840	* 8963840
Book Value per Share (₹)	14.56	101.82	103.86	132.51	233.92	310.65	* 81.68	* 97.85	* 111.11	* 124.39

* Based on the Sub Division of shares with face value of ₹ 10 each fully paid up into Five equity shares of Face value of ₹ 2 each fully paid up.



Charging of Electric Vehicles using PV based VRFB System

