



CHAIRMAN

Sri. N. GOPALARATNAM

DIRECTORS

Sri. R. VAIDYANATHAN

Sri. A.L. SOMAYAJI

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

Smt. D. VIJAYALAKSHMI, Nominee of LIC

MANAGING DIRECTOR

Sri. S. SRIDHARAN

SECRETARY

Sri. S.V. RAJU

AUDITORS

M/s. R. SUBRAMANIAN AND COMPANY, Chennai

INTERNAL AUDITORS

M/s. MAHARAJ N.R. SURESH & CO., Chennai

BANKERS

UCO BANK

CANARA BANK

INDIAN BANK

REGISTERED OFFICE

“Esvin House”, Perungudi,
Chennai - 600 096.

PLANT

Pakkudi Road, Mathur - 622 515

Pudukkottai District.

CONTENTS

	Page
Notice of Annual General Meeting	3
Directors' Report	10
Auditors' Report	20
Balance Sheet	23
Profit and Loss Account	24
Profit and Loss Appropriation Account	25
Schedules	26
Cash Flow Statement	49



NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 50th Annual General Meeting of HIGH ENERGY BATTERIES (INDIA) LIMITED will be held at 11.00 AM on Saturday, the 16th July 2011 at New Woodlands Hotel Pvt. Ltd., 72-75 Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Directors' Report, Auditors' Report and Audited Balance Sheet of the Company as at 31st March, 2011 and the Profit and Loss Account for the year ended 31st March, 2011.
2. To elect Directors:
 - a) To appoint a Director in the place of Sri. R. Vaidyanathan, who retires by rotation and being eligible, offers himself for re-election.
 - b) To appoint a Director in the place of Sri. A. L. Somayaji, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and fix their remuneration. M/s. R. Subramanian and Company, Chennai, the retiring Auditors are eligible for reappointment.

SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following Resolution with or without modification as SPECIAL RESOLUTION:

RESOLVED THAT in accordance with the provisions of Sections 269, 309, 198, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals as may be necessary, approval of the Members of the Company be and is hereby accorded to the re-appointment of Sri. S. Sridharan as Managing Director of the Company for a period of 3 years from April 1, 2011 and upto March 31, 2014 to exercise substantial powers of the Management subject to the supervision and control of the Board of Directors on the terms and conditions set out below:-

NOTICE TO THE SHAREHOLDERS

1	Period	01.04.2011 to 31.03.2014
2	Remuneration	
a.	Salary	Rs.90,000/- (Rupees Ninety Thousand only) per month including Dearness Allowance and all other allowances.
b.	Commission	Equivalent to one percent of the net profits of the Company subject to a ceiling of an amount equal to the annual salary.
3	Perquisites	Perquisites will be in addition to salary and commission and shall be restricted to an amount equal to the annual salary.
a.	House Rent Allowance	Rs.15,000/- (Rupees Fifteen Thousand only) per month.
b.	Gas, Electricity, Water and Furnishings	The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income-tax Rules, 1962. This shall, however, be subject to a ceiling of Rs.9,000 per month.
c.	Medical Reimbursement	Reimbursement of expenses incurred for self and family subject to a ceiling of one month's salary in a year or three months' salary over a period of three years.
d.	Club Fees	Fees of Clubs subject to a maximum of two clubs.No admission and life membership fee will be paid.
e.	Personal Accident Insurance	Personal Accident Insurance of an amount, the annual premium of which does not exceed Rs.5,000 (Rupees Five Thousand only) per annum.
f.	Contribution to Provident Fund and Superannuation Fund	<p>a) Company's contribution towards Provident Fund as per the Rules of the Company.</p> <p>b) Company's contribution towards Superannuation Fund as per the Rules of the Company.</p> <p>Contribution to Provident Fund and Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income tax Act.</p>
g.	Gratuity	As per the Rules of the Company
h.	Leave Salary	As per the Rules of the Company. Leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
i.	Use of Car and Telephone	Car for use on Company's business and telephone at residence will not be considered as perquisites. However, personal long distance calls and use of car for private purposes shall be billed by the Company.
4	Minimum Remuneration	In the event of loss or inadequacy of profits in any financial year, the Managing Director shall be paid a special allowance of Rs.5,40,000/- per year in addition to salary and perquisites as specified above. In any event, the total of salary, perquisites and special allowance will be within the overall ceiling as specified in Section II of Part II of Schedule III of the Companies Act, 1956. No commission is payable in such year.



NOTICE TO THE SHAREHOLDERS

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to revise the remuneration including commission and perquisites from time to time, within the limits, prescribed in Schedule - XIII of the Companies Act, 1956, or any amendment or any statutory modifications thereto.

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

S.V. RAJU
Secretary

Chennai
May 28, 2011

quoting their Membership Number. Members holding shares in Electronic Form may communicate the above information to their respective Depository Participants.

- E. Members are requested to bring the attendance slips duly filled in along with their copies of Annual Reports to the Meeting.
- F. Members holding shares in Demat form are requested to bring in their details of DP ID and Client ID for ease of identification and recording of attendance at the meeting.

NOTES

- A. **A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on poll instead of himself and such proxy need not be a member of the Company.**
- B. Proxies in order to be effective, must be received at the Registered Office of the Company not later than 48 hours before the meeting i.e., 11.00 AM on 14th July 2011.
- C. The Register of Members and Share Transfer Books of the Company will be closed from Saturday, the 9th July 2011 to Saturday, the 16th July 2011 both days inclusive.
- D. Members holding shares in Physical Form are requested to notify promptly any change in their address to the Registrar and Share Transfer Agent of the Company, M/s. Cameo Corporate Services Limited, Chennai - 600002 by

EXPLANATORY STATEMENT

(As required under Section 173(2) of the Companies Act, 1956)

Item No.4:

Sri. S. Sridharan, aged 60, is a Mechanical Engineer (B.E. from Regional Engineering College, Tiruchi). Sri. S. Sridharan has to his credit nearly 38 years of Industrial experience, substantial portion of which has been spent in HEB and SIMCO. He is largely responsible for the efficient operations of the Company. During his present term, Sri. S. Sridharan was instrumental for development of all primary and secondary silver oxide zinc batteries and the Company received National Award from DRDO for technology absorption in the area of development of indigenous batteries and for development of high power and high energy primary and secondary batteries from NSTL.

HEB has received a contract from an OEM company for development of Sea water Activated Batteries for their new torpedo development. This development project will be completed shortly and HEB is expected to receive sizable orders based on the development. This will lead not only to exports but also pave way for further association with OEM companies. Discussions are in progress for development of various new types of batteries for their projects.

HEB is executing a number of Export Orders and continues to receive further orders based on the delivery and performance.

The Company has successfully commenced Lead Acid Battery facility during the year 2009-10. HEB is also launching various Automobile/VRLA and inverter batteries in the market under stiff competition. The sales are picking up and are expected to reach the targeted levels to make the facility viable.

The Board of Directors, at their meeting held on March 26, 2011 re-appointed him as Managing Director of the Company for a term of 3 years from 1st April 2011 on the terms and conditions set out in the resolution.

The remuneration package is well within the overall limit prescribed under Schedule XIII of the Companies Act, 1956, and the same has been approved by the Remuneration Committee headed by an independent Non-Executive Chairman and two independent Directors as required under the provisions of the Companies Act, 1956.

The Board of Directors will also be at liberty to alter, vary and revise the remuneration including commission and perquisites from time to time within the limits prescribed in Schedule XIII of the Companies Act, 1956 or any amendment or statutory modifications thereto.

In terms of Part III to the Schedule-XIII to the Companies Act, 1956, the appointment and remuneration as above shall be subject to the approval by Members of the Company in General Meeting and accordingly, the subject is placed before the Members for their approval.

A copy of the Board Resolution in this regard is available for inspection by the Members at the Registered Office of the Company during business hours on all working days prior to the date of the meeting.

No director other than Sri S Sridharan is concerned or interested in this item of business.



Statement containing required information as per Para (B) of Part II of Section II of Schedule XIII to the Companies Act, 1956

I. GENERAL INFORMATION

(1) Nature of Industry

Manufacturer of Aerospace, Naval, Power System Batteries and Lead Acid Storage Batteries.

(2) Date of commencement of commercial Production

December 1979

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable

(4) Financial performance based on given indicators

(Rs. in lakhs)

Particulars	2010-11	2009-10	2008-09
Net Sales	3416	2744	2417
Profit before interest, Depreciation & Tax	343	170	365
Profit Before Tax	(143)	(274)	159
Profit After Tax	(44)	(181)	97
Dividend (%)	Nil*	Nil	35

*Recommended by Board

(5) Export performance and net foreign exchange collections.

(Rs. in lakhs)

Particulars	2010-11	2009-10	2008-09
FOB value of exports	1947	774	1592
CIF value of imports	1376	692	1413
Expenditure in foreign currency	13	38	27
Net foreign exchange earnings	1934	736	1565

(6) Foreign investments or collaborators, if any

Nil

II. INFORMATION ABOUT THE APPOINTEE

(1) Background details

Sri. S. Sridharan, Managing Director, aged 60, First Class Degree holder in Mechanical Engineering from Regional Engineering College, Trichy. He has contributed much to the growth of the company.

(2) Past remuneration (Rs. in lakhs)

Particulars	2010-11	2009-10	2008-09
Salary & Allowances	12.60	12.60	12.60
Perquisites	1.99	1.99	1.99
Commission	-	-	-
Total	14.59	14.59	14.59

(3) Recognition or awards

The Company has received National Award for its R&D efforts from the Department of Scientific Industrial Research, Ministry of Science & Technology, New Delhi, in 2004, during his tenure.

(4) Job profile and his suitability

Sri. S. Sridharan served in various capacities in HEB like Development Engineer, Manager (Operations), Deputy General Manager, General Manager (Operations), Executive Director. Sri. S. Sridharan was closely associated in development, production and commercialization of Silver Zinc Aircraft batteries way back in 1982-83. He was also associated further in development of Primary Reserve Type batteries for torpedoes and Missiles and Nickel

Cadmium Fibre Technology facility. Many of the batteries developed and manufactured by our Company were under the supervision and guidance of Sri. S. Sridharan.

The Company has successfully established Lead Acid Battery facility during the year 2009-10. With his proven experience and capability, he has the requisite leadership to lead the Company.

(5) Remuneration proposed

As set out in the Explanatory Statement above.

(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (incase of expatriates the relevant details would be w.r.t. the country of his origin)

Considering the profile of Mr. S. Sridharan and current trend of compensation package in Corporates, the remuneration proposed is moderate.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Sri. S. Sridharan holds 1932 Equity shares in the Company. Other than the remuneration stated above, he has no other pecuniary relationship directly or indirectly with the Company. He has no relationship with any managerial personnel.

III. OTHER INFORMATION

(1) Reasons of loss or inadequate profits

Spiralling costs of almost all the inputs used in the manufacture of Silver Zinc/ Nickel Cadmium products coupled with extremely competitive prices of the

Company's products had resulted in deep erosion of margins and profitability. The company had to bear the burden of higher interest and financing charges.

(2) Steps taken or proposed to be taken for improvement

The Company has received sizable export orders in the financial year 2011-12 and the export market offers good potential for getting continuous orders. Further, the Lead Acid Battery Plant is getting stabilized and started yielding reasonable earnings. The Company expects to achieve reasonable turnover and return to profitable operations.

(3) Expected increase in productivity and profits in measurable terms

Based on orders on hand both in the indigenous and export markets in the existing divisions and the present trend in the Lead Acid Battery market, the Company expects to achieve a good turnover and profitability.

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

S.V. RAJU
Secretary

Chennai
May 28, 2011



Appointment / Reappointment of Directors :

Details on Directors seeking appointment/reappointment are furnished hereunder:-

<i>Name of Director</i>	<i>Date of Birth</i>	<i>Date of First appointment</i>	<i>Expertise in specific functional areas</i>	<i>Qualification</i>	<i>Directorships in other companies (excluding foreign companies)</i>	<i>Committee/ Executive positions held in other companies</i>
REAPPOINTMENT						
Sri. S. Sridharan	14.11.1950	01.04.2002	<i>Varied Experience in management of projects, operations and general management.</i>	<i>B.E.,</i>		
Sri. R. Vaidyanathan	13.02.1938	27.09.1961	<i>Land Lord Associated with Seshasayee Group of Companies for more than five decades.</i>	<i>B.Sc.,</i>	<i>The Mayavaram Financial Chit Corporation Ltd.</i>	
Sri. A. L. Somayaji	27.01.1944	23.02.2002	<i>He is a Senior Advocate, practicing in the Madras High Court and the Supreme Court of India. He is in the Editorial Board of iSupreme Todayî, iCurrent Tamil Nadu casesî, iLabour Law Journalî and iSales tax casesî, He is legal advisor to various companies</i>	<i>Graduate in Commerce, Graduate in Law.</i>	<i>1. Esvi International (Engineers and Exporters) Limited. 2. Commercial Laws of India Pvt. Ltd.</i>	-

DIRECTORS' REPORT TO THE MEMBERS

The Directors hereby present their 50th Annual Report together with the Balance Sheet and the Profit and Loss Account for the year ended 31st March, 2011.

OPERATING RESULTS

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

	<i>(Rs. in lakhs)</i>			
	<i>For the year Ended</i>			
	<i>2010 - 2011</i>		<i>2009 - 2010</i>	
Sales (Net of Excise Duty and VAT / Sales Tax)		3415.55		2744.04
PROFIT before Interest, depreciation and tax		343.41		169.66
Less:				
1. Interest	316.71		304.12	
2. Depreciation	169.86	486.57	139.95	444.07
LOSS BEFORE TAX		(143.16)		(274.41)
Less:				
Provision for Taxation Current (including Wealth Tax & Fringe Benefit Tax)	-		0.36	
Deferred Tax	(51.86)		(93.97)	
Excess provision for tax written back	47.11	(98.97)		(93.61)
NET LOSS		(44.19)		(180.80)

The company achieved an overall sales (Net of Excise Duty, VAT and Sales Tax) of Rs. 3415.55 lakhs as compared to Rs. 2744.04 lakhs on year-on-year basis.

Profit Before Interest Depreciation and Tax has not however moved up in tandem with the growth in sales on account of spiralling cost of Silver and increase in bank guarantee commission and processing charges attributable to the increase in the bank borrowings.

Increase in interest charges on account of

additional borrowings for meeting the working capital requirements and full year depreciation on Lead Acid Battery plant as compared to nine months depreciation during the last year have contributed to the increase in interest and depreciation charges.

Nonetheless it is gratifying to note that the Loss Before Tax stood substantially reduced at Rs.143.16 lakhs as compared to Rs.274.41 lakhs and the Loss After Tax at Rs.44.19 lakhs as against Rs.180.80 lakhs on account of write back of excess provision of tax in the earlier years.

DIVIDEND

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

PERFORMANCE HIGHLIGHTS

SILVER ZINC BATTERIES

The Company recorded a turnover of Rs.3098.74 lakhs during this year as against Rs.2274.15 lakhs during the previous year, registering an increase of 36.26%. As mentioned earlier, the sudden spurt in Silver price and unprecedented rise in the cost of other materials and expenses during the year under review have reduced the margins.

NICKEL CADMIUM BATTERIES

The turnover was Rs.78.85 lakhs compared to Rs.435.58 lakhs during the last year. Non-availability of main imported raw materials, delay in type approval of aircraft batteries, stiff competition faced in securing orders and major break-down in one of the machines resulted in lower turnover.

LEAD ACID BATTERIES

The turnover was Rs.237.95 lakhs compared



DIRECTORS' REPORT TO THE MEMBERS (Continued)

to Rs.31.12 lakhs last year. The company has spread its wings across South India by establishing Depots at Chennai, Cochin, Bangalore and Hyderabad during later half of the year, which contributed to the increase in sales. As the distributors requested for wider range of batteries, the company added DIN series of batteries by outsourcing the same for the time being. While the company's focus had been mainly on the after market in South India it is proposed to have it extended to Delhi and Maharashtra progressively during the current year. The company developed two types of VRLA Batteries and carried out trial production which are proposed to be introduced in the market during the current year. The company expects to achieve a sizable turnover in the current year.

EXPORT

During the year the company has more than doubled its sales at Rs.1947.73 lakhs as compared to Rs. 966.15 lakhs in the last year. The Company also received Development cum Supply of sea water activated batteries from an OEM Company. The Company expects to receive sizeable orders in the current year for various Silver Zinc Batteries.

CURRENT YEAR - 2011-12

Taking into account, the orders on hand and the problems experienced by the Company in the year under review, the company is in the process of consolidating the production and marketing set up for achieving better turnover with reduced cost, thereby returning to profitable operations.

While adequate orders are available in the Silver Zinc division, efforts are made to secure orders in the Lead Acid Battery division for bettering the performance during the current year. The company is also taking all steps to control the cost of materials by insisting on provision of Silver by customers themselves and / or by incorporating price variation clause in all major orders.

FINANCE

Finance of the Company continued to be tenuous in the backdrop of cash loss suffered by the Company in the last year. During the year under review the Company availed additional term loan of Rs.100 lakhs sanctioned by the banks in the earlier year. In view of the delay in receiving advances from customers and for meeting the requirement of additional funds for purchase of Silver at high prices, the Company also availed an inter corporate deposit of Rs.50 lakhs from their group companies. The Company repaid the short term working capital loan of Rs. 200 lakhs and the term loan of Rs.131.25 lakhs.

ISO SYSTEMS

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

RESEARCH AND DEVELOPMENT

Your R&D has contributed for development of various types of batteries for missile application. The batteries have been updated, improved or modified based on Customer feed back. Your Company has received development order for special types of sea water batteries through DRDO Laboratories.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors in terms of Section 217(2AA) of the Companies Act, 1956 confirm that:

- (i) all applicable accounting standards have been followed in the preparation of the annual accounts;
- (ii) the Company has 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 as of 31st March 2011 and of the Loss of the Company for year ended that date;

DIRECTORS' REPORT TO THE MEMBERS (Continued)

- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the latest provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and
- (iv) the annual accounts have been prepared on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information regarding Conservation of Energy and Technology Absorption as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 is given in Annexure I and forms part of this Report.

EMPLOYEES

No employee of the Company was in receipt of remuneration in excess of the sum prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, during the financial year 2010 -11.

INDUSTRIAL RELATIONS

Industrial relations continued to be cordial.

DIRECTORS

In accordance with Article 106 of the Articles of Association of the Company, Sri. R. Vaidyanathan and Sri. A. L. Somayaji Directors, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

CORPORATE GOVERNANCE

Though the code of Corporate Governance is not applicable to the Company, utmost importance has been given to good Corporate Governance in all its activities.

A separate note on Corporate Governance is provided in Annexure II

AUDITORS

M/s. R Subramanian & Co., Chartered Accountants, Chennai, Auditors of the company retire at the conclusion of the ensuing 50th Annual General Meeting of the Company and are eligible for re-appointment.

Necessary Resolution for their appointment under Section 224 of the Companies Act, 1956 is being placed at the ensuing 50th Annual General Meeting for this purpose.

ACKNOWLEDGEMENT

Your Directors wish to express their sincere thanks to

- i) the Defence Services, DRDO Laboratories, ISRO and Ministry of Defence for the whole-hearted support and encouragement received from them for indigenisation efforts on sophisticated high energy batteries;
- ii) the Overseas customers, who have reposed utmost faith and confidence in our products and
- iii) the Bankers for extending timely financial support for the continued successful performance of the Company.

(For the Board of Directors)

N. GOPALARATNAM
Chairman

Chennai 600 034
May 28, 2011



**DISCLOSURE IN TERMS OF SECTION 217(1)(e) OF THE COMPANIES
(DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS)
RULES, 1988.**

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION**1. Research and Development
(Totally in-house)**

- ï Development of High Rate Silver Oxide Zinc Batteries for under water propulsion in Primary and Secondary areas.
- ï Development of space quality High Rate Silver Zinc Cells.
- ï Development of Primary activated Reserve Type Silver Zinc Batteries for Aerospace applications.
- ï Development of Nickel Cadmium Batteries for communication sets.
- ï Development of Silver Chloride Magnesium sea water activated Batteries for sonobuoy application.
- ï Development of Fibre Technology Nickel Cadmium Batteries for Rail Road Standby power and UPS applications.
- ï Development of process for treatment of separator systems.
- ï Development of Nickel Metal Hydride Batteries.
- ï Development of Fuel Cell.
- ï Development of Cuprous Chloride Batteries.
- ï Development of Automotive & Valve Regulated Lead Acid batteries.
- ï Development of Nerve Agent Detector System.
- ï Development and production of catalyist.

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

1. The batteries developed have eliminated imports in their respective categories and thus they have saved substantial foreign exchange outgo.
2. The batteries developed in-house were also exported and thus earned foreign exchange.
3. Upgradation of technology to match the advancement in developed countries.
4. Indigenisation and self reliance in the critical field of batteries for defence.
5. Diversification through commercialisation of Lead Acid Batteries.

3. Future Plan of Action

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

4. Expenditure on R & D during the year

	<i>Rs. in lakhs</i>
Capital	0.73
Recurring	49.57
Total	50.30

5. Technology Absorption and Adoption

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

6. Foreign Exchange Earnings and Outgo

a) Earnings	Rs. 1948 lakhs
b) Outgo	Rs. 1389 lakhs

(For the Board of Directors)

N. GOPALARATNAM
Chairman

Chennai 600 034
May 28, 2011

**ANNEXURE TO THE DIRECTORS' REPORT
REPORT ON CORPORATE GOVERNANCE**

Company's philosophy on Corporate Governance

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

Furthermore, such a corporate governance

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

Board of Directors

The Board of Directors consists of 6 Directors, of whom only the Managing Director is in whole time employment of the Company. All other Directors are Non-Executive Directors of the Company.

Number of Board Meetings and Directors' Attendance Record

Name of Director	Date of Initial Appointment	Category	Attendance at Board Meetings during 2010 - 2011		As on 31 st March 2011 (Including HEB)			Attendance at last AGM
			No. of Meetings	%	No. of Director-ships	Committee Position		
						As Chairman	As Member	
Sri. N. Gopalaratnam	06-06-1991	Non- Executive Chairman, Promoter	5	100	6	3	4	YES
Sri. S. Sridharan	01-04-2002	Managing Director	5	100	1	-	1	YES
Sri. R. Vaidyanathan	27-09-1961	Promoter	4	80	2	-	1	YES
Sri. A.L. Somayaji	23-03- 2002	Independent	4	80	3	1	-	YES
Commodore R.P. Prem Kumar (Retd.)	08-06-2002	Independent	5	100	1	-	1	YES
Smt. D. Vijayalakshmi	23-03-2007	Nominee of Life Insurance Corporation of India - Independent	4	80	1	-	1	YES



Board Meetings

During the year 2010-11, 5 Board Meetings were held on 29.05.2010, 22.07.2010, 30.10.2010, 29.01.2011 and 26.03.2011. The last Annual General Meeting was held on 22.07.2010.

Audit Committee

The code of Corporate Governance is not applicable to our Company. Hence, the Company has not constituted any Audit Committee. The Board and the Managing Director deal directly with the Statutory and Internal Auditors and take appropriate decisions.

Shareholders / Investors Grievance Committee

The Shareholders/Investors Grievance Committee was constituted on 30-07-2001, immediately upon inclusion/amendment to Clause 49 of the Listing Agreement with the Stock Exchanges. The Committee's role and responsibilities are to expeditiously process transfers, transpositions, transmissions, subdivisions and consolidations of securities complying with SEBI Regulations and Listing requirements and redressal of Investors' grievances. Further, to ensure speedy processing of regular securities transactions pertaining to small Investors, the Board has delegated powers to the Managing Director and the Secretary.

The Committee comprises of 3 Directors. The Chairman of the Committee is a non-executive Director. The Committee met 5 times during the previous year on 29.05.2010, 22.07.2010, 30.10.2010, 29.01.2011 and 26.03.2011.

Details of its composition and attendance are given hereunder:-

Name of Member	Status	Attendance at Meetings	
		No.	%
Sri. N. Gopalaratnam	Chairman	5	100
Sri. S. Sridharan	Member	5	100
Sri. R. Vaidyanathan	Member	4	80

Remuneration Committee

The Remuneration Committee comprises of 3 Non-Executive and Independent Directors. The Remuneration Committee is vested with all the necessary powers and authority to ensure that remuneration of whole-time Director(s) is within the limits prescribed under Schedule XIII to the Companies Act, 1956. The Committee met 1 time during the period under review on 26th March 2011. Details of its composition and attendance are given hereunder:-

Name of Member	Status	Attendance at Meetings	
		No.	%
Sri. A. L. Somayaji	Chairman	1	100
Mr. R. P. Premkumar	Member	1	100
Smt. D. Vijayalakshmi	Member	1	100

Committee Minutes

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

Remuneration of Directors

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

Director	Amount in Rupees		
	Sitting Fee for		Total
	Board Meeting	Committee Meeting*	
Sri. N. Gopalaratnam	15000	15000	30000
Sri. R Vaidyanathan	12000	12000	24000
Sri. A L Somayaji	12000	3000	15000
Cmde. R P Prem Kumar	15000	3000	18000
Smt. D Vijayalakshmi Nominee of LIC	12000	3000	15000

* Shareholders /Investors Grievance Committee Meetings and Remuneration Committee Meeting.

Disclosures

Materially significant related party transactions having potential conflict with the interest of the Company at large;

None

Details of non-compliances, penalties, strictures by Stock Exchanges/ SEBI/ Statutory Authorities on any matter related to capital markets during the last three years;

None

Pecuniary relationship or transactions with the non-executive Directors;

None

MEANS OF COMMUNICATION

Audited Financial Results

Period	Date of Approval by Board	Date of Publication	Newspaper
Quarter ended 30 th June, 2010	22.07.2010	24.07.2010	Business Line and Makkal Kural
Quarter ended 30 th September, 2010	30.10.2010	01.11.2010	Business Line and Makkal Kural
Quarter ended 31 st December, 2010	29.01.2011	31.01.2011	Business Line and Makkal Kural
Year ended 31 st March, 2011	28.05.2011	30.05.2011	Business Line and Makkal Kural

The Company will continue to publish financial results in newspapers in future. Copies of results will be furnished to individual members and others on request.

The results published also show, as a footnote, relevant additional information and/or disclosures to the Investors.

Others

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

The Company operates in;

- Aerospace, Naval & Power System Batteries and
- Lead Acid Storage Battery segments.

Segment-wise results is reported in Schedule 17 - Notes on accounts under Item - 13.

General Shareholder Information

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

Compliance Certificate of the Auditors

Not Applicable



Shareholder Information

AGM Details

<i>Date and Time</i>	16 th July, 2011, 11.00 A.M.
<i>Venue</i>	New Woodlands Hotel Pvt. Ltd., 72-75, Dr. Radhakrishnan Salai, Chennai - 600 004.
<i>Book Closure</i>	Saturday, the 9 th July, 2011 to Saturday the 16 th July, 2011 (Both days inclusive)

Listing

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

The Listing Fee for the financial year 2011-12 has been paid to the above Stock Exchange.

Dematerialisation

The Equity Shares of the Company are traded in compulsory demat form and are available for trading under both the Depository Systems in India, namely, NSDL and CDSL. Its International Securities Identification Number (ISIN) is **INE783E01015**. The details of dematerialised and physical holding as on 31st March 2011 are furnished hereunder:

<i>Mode of holding</i>	<i>Shareholders</i>		<i>Equity Shares</i>	
	<i>No.</i>	<i>%</i>	<i>No.</i>	<i>%</i>
Physical	371	18.90	79759	4.45
Demat	1592	81.10	1713009	95.55
Total	1963	100.00	1792768	100.00

Registrar and Share Transfer Agent

For Physical and Demat Forms:

Cameo Corporate Services Ltd.

Subramanian Building, 5th Floor

1, Club House Road, Chennai 600 002

Phone : 044-28460390(5 Lines)

Fax : 044-28460129

E-mail : investor@cameoindia.com

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

Compliance Officer

Sri. S. V. Raju, Secretary of the Company is the Compliance Officer under SEBI (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 and under Clause 47 of the Listing Agreement with Stock Exchanges.

Transfer System

Powers are delegated to the Managing Director and Secretary to deal with regular transactions in securities of small investors, while other cases are decided by the Shareholders/ Investors Grievance Committee. Investor requests are attended to within 7-15 days from the date of receipt. There were no shares pending for transfer as on 31st March 2011.

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

Share Quotes

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

Month	High	Low	Volume
	Rs. P.	Rs. P.	No. of Shares
April 2010	120.50	107.00	34397
May 2010	124.50	100.00	34318
June 2010	119.85	98.00	163992
July 2010	107.85	99.00	32458
August 2010	109.80	98.55	25043
September 2010	124.80	100.05	74314
October 2010	114.00	93.00	23685
November 2010	112.90	87.00	22591
December 2010	105.00	71.20	17729
January 2011	104.50	81.55	10637
February 2011	98.60	73.00	7119
March 2011	100.95	80.00	20899
		Total	467182

Shareholder Complaints

The Company has created a mail address secraju@highenergyltd.com exclusively for the purpose of addressing to, complaints, if any, from investors. Investors can mail any of their grievances to the above mentioned e-mail address.

Particulars of complaints received during 2010-11;

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

Distribution of Shareholding as on 31.03.2011

Slab	No. Shareholders		No. of Equity Shares	
	Total	%	Total	%
1-500	1719	87.57	194347	10.84
501-1000	130	6.62	96045	5.36
1001-2000	53	2.70	77844	4.34
2001-3000	16	0.82	40918	2.28
3001-4000	8	0.41	29466	1.64
4001-5000	5	0.25	23192	1.29
5001-10000	7	0.36	51109	2.85
Above 10000	25	1.27	1279847	71.40
	1963	100.00	1792768	100.00

Shareholding Pattern

Category	No. of Equity Shares	%
Promoters	730031	40.72
FIs and Banks	239100	13.34
Insurance Companies	20000	1.12
Other Corporate Bodies	64878	3.62
Clearing Members	314	0.02
Hindu Undivided Families	22063	1.23
NRI - Non-Promoter	4446	0.24
Public	711936	39.71
Total	1792768	100.00

Note : Out of above, Non Resident Indians/ Overseas Corporate Bodies hold 84446 shares constituting 4.71%.

Plant

Location:

Pakkudi Road,
Mathur Industrial Estate, Mathur 622 515,
Pudukkottai District, Tamilnadu, India
Phone : 0431-2660314, 2660323, 2660324
Fax : 04339-250516
Email : info@highenergyltd.com
Website : www.highenergyltd.com

No. of Employees : 166



Particulars of past 3 AGMs

AGM	Year	Venue	Date	Time
47 th	2007-2008	New Woodlands Hotel , Pvt. Ltd., 72-75, Dr. Radhakrishnan Salai, Mylapore, Chennai 600 004	24.07.2008	10.30 AM
48 th	2008-2009	- do -	18.07.2009	11.00 AM
49 th	2009-2010	- do -	22.07.2010	10.30 AM

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

Postal Ballot

No Special Resolution was required to be passed by postal ballot at the last AGM nor is being proposed at the ensuing AGM.

PAN Requirement

- (1) SEBI vide Circular dated 27th April 2007 made PAN as the sole identification number for all participants transacting in the securities market irrespective of the amount of such transaction.
- (2) SEBI by its Circular dated 20th May 2009 made it mandatory to furnish a copy of PAN card of the transferee to the Company/RTA for registration of transfer of shares of listed companies in physical form and off market/private transactions.
- (3) SEBI vide its Circular dated 28th January 2010 has made it mandatory to furnish a copy of PAN for transmission and transposition of shares.

Investors are advised to take note of the same.

Nomination facility

Shareholders holding shares in physical form and desirous of making a nomination in terms of Section 109A of the Companies Act, 1956 are requested to submit to the RTA in the

prescribed Form 2B which can be had, on request, from the Company/RTA

Unclaimed Dividends

Under the Companies Act 1956, dividends that are unclaimed for a period of seven years get transferred to the Investor Education and Protection Fund administered by the Central Government statutorily. The following table gives the dates of declaration of Dividend and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government.

Financial Year	Date of Declaration	Due date for Transfer
2003-2004	28.07.2004	01.08.2011
2004-2005	21.07.2005	25.07.2012
2005-2006	21.07.2006	25.07.2013
2006-2007	26.07.2007	30.07.2014
2007-2008	24.07.2008	28.07.2015
2008-2009	18.07.2009	22.07.2016
2009-2010	----	----

Reconciliation of Share Capital Audit

Reports/Certificates to Stock Exchanges

Description	Frequency	For the Quarter ended	Furnished on
Reconciliation of Share Capital Audit Report to Stock Exchanges on reconciliation of the total admitted Capital with NSDL/ CDSL and the total issued & Listed Capital	Quarterly	30.06.2010	14.07.2010
		30.09.2010	07.10.2010
		31.12.2010	10.01.2011
		31.03.2011	07.04.2011

M/s. R. SUBRAMANIAN AND COMPANY

Chartered Accountants

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF HIGH ENERGY BATTERIES (INDIA) LIMITED

We have audited the attached Balance Sheet of M/s. HIGH ENERGY BATTERIES (INDIA) LIMITED for the year ended 31st March 2011 and also the Profit & Loss account and Cash Flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Audit.

In our opinion proper Books of Account, as required by law have been kept by the Company so far as appears from our examination of those books.

The Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this Report are in agreement with the Books of Account.

In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow statement dealt

with by this Report comply with the Accounting Standards, referred to in Sec 211(3C) of the Companies Act, 1956.

On the basis of written representations received from the Directors, as on 31st March 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011, from being appointed as a Director in terms of Clause (g) of Sub Section (1) of Section 274 of the Companies Act, 1956.

In our opinion and to the best of our information and according to the explanations given to us, the said Accounts, read together with the Notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles, generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the Company, as at 31st March, 2011; and
- b) In the case of the Profit and Loss Account, of the LOSS for the financial year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date

As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Companies Act, 1956, we have further to report as under:

- i. The Company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets. These Fixed Assets have been physically verified by the Management on

a regular programme, which in our opinion is reasonable having regard to the size of the Company and nature of its Assets. No significant discrepancies were noticed on such verification. During the year the company has disposed off a piece of vacant land . However this will not impact the operations of the company in any way.

- ii. The stock of Finished Goods, stores spare parts and raw materials except stock lying with third parties, for which confirmation have been sought for, have been physically verified during the year by the Management. In our opinion, the frequency and procedure of physical verification is reasonable and adequate in relation to the size of the Company and the nature of its business. The Company has maintained proper records of inventory. The discrepancies noticed on verification between the physical stock and the book records were not significant, and the same have been properly dealt with in the Books of Account.
- iii. (a) The Company has not granted any loans, secured / unsecured to companies, firm or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) The Company has taken unsecured loans aggregating to Rs 100 lakhs from two companies listed in the register maintained under Section 301 of the Companies Act 1956. The terms of such loans are not prima facie prejudicial to the interest of the Company. Maximum amount outstanding at any time during the year was Rs 100 lakhs.
- iv. In our opinion and according to the information and explanation given to us, there are adequate internal control

procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

- v. Based on audit procedures applied by us and according to the information and explanations provided by the Management, the transactions that needed to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained by Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public and consequently, the provisions of Section 58A and 58AA and any other relevant provisions of the Companies Act, 1956 are not attracted.
- vii. The Company has an Internal Audit System commensurate with the size and nature of its business.
- viii. The Central Government has prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of Lead Acid Batteries manufactured by the Company. However we have not carried out detailed examination of such records
- ix. (a) On the basis of our examination of the Books of Account, the Company has been regular in depositing with

appropriate authorities undisputed statutory dues including Employees Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty, Wealth Tax, Cess and Investor Education and Protection Fund and other material statutory dues.

- (b) According to the information and explanations given to us, there are no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Cess and Customs Duty that have not been deposited with the appropriate authorities for more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of, Income Tax, Service Tax, Sales Tax, Customs Duty, Cess, Wealth Tax and Excise Duty that have not been deposited with the appropriate authorities on account of any dispute.
- x. The company's accumulated losses has not exceeded 50% of its net worth as at the end of the financial year. The company has not incurred cash losses in the current financial year and in the immediately preceding financial year has incurred cash losses.
- xi. Based on our audit procedures and on the basis of information and explanations given by the Management, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company has not issued any debentures.
- xii. Based on our examination of documents and records, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

- xiii. The Company is not a chit fund, nidhi, mutual benefit fund or a society.
- xiv. The Company is not dealing or trading in shares, securities, debentures and other Investments.
- xv. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xvi. The company has availed term loan during the year. The term loan availed during the current year have been applied for the purpose for which they were granted.
- xvii. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that funds raised on short term basis have not been used for long term investment.
- xviii. During the year the company has not made any preferential allotment of shares.
- xix. During the period covered by our audit report, the Company has not issued any debentures.
- xx. The Company has not raised any money by public issue during the year.
- xxi. Based on audit procedures performed and information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of audit.

For **M/s. R. SUBRAMANIAN AND COMPANY**
Chartered Accountants
Firm Registration No. 004137S

R. RAJARAM
Partner
Membership No. 25210

Chennai
May 28, 2011

**BALANCE SHEET AS AT 31st MARCH, 2011**

	SCHEDULE No	AS AT 31-03-2011	AS AT 31-03-2010
		Rs.	Rs.
1 SOURCES OF FUNDS			
Share Holders' Funds			
Share Capital	1	1 79 27 680	1 79 27 680
Reserves & Surplus	2	16 01 27 525	16 45 46 819
		<u>17 80 55 205</u>	18 24 74 499
Loan Funds			
Secured Loans	3	26 05 68 017	25 95 28 739
Unsecured Loans - From Others		1 00 00 000	50 00 000
Deferred Tax Liability (Net) (Note 3 of Sch - 17)		54 08 681	1 05 94 534
TOTAL		<u>45 40 31 903</u>	<u>45 75 97 772</u>
2 APPLICATION OF FUNDS			
Fixed Assets	4		
Gross Block		35 46 23 420	35 53 78 860
Less : Depreciation		13 34 13 723	11 69 71 907
Net Block		<u>22 12 09 697</u>	23 84 06 953
Investments	5	60 33 333	60 33 333
Current Assets, Loans and Advances			
Inventories	6	25 83 52 299	17 26 02 858
Sundry Debtors	7	13 23 15 312	8 53 80 588
Cash & Bank Balances	8	97 95 733	57 22 902
Loans and Advances	9	5 06 06 122	4 15 73 008
(A)		<u>45 10 69 466</u>	<u>30 52 79 356</u>
Less : Current Liabilities and Provisions			
Liabilities	10	22 42 80 593	9 21 21 870
Provisions		-	-
(B)		<u>22 42 80 593</u>	<u>9 21 21 870</u>
NET CURRENT ASSETS (A-B)		<u>22 67 88 873</u>	21 31 57 486
TOTAL		<u>45 40 31 903</u>	<u>45 75 97 772</u>

Note: Schedules 1 to 10 and Notes in Schedule 17 form part of this Balance Sheet.

S. SRIDHARAN
Managing Director

N. GOPALARATNAM
D. VIJAYALAKSHMI
R. VAIDYANATHAN

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

Directors

Vide our Report of even date attached
For **M/s. R. SUBRAMANIAN AND COMPANY**
Chartered Accountants
Firm Registration No. 004137S

S.V. RAJU
Secretary

Chennai
May 28, 2011

R. RAJARAM
Partner
Membership No.25210

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

	SCHEDULE No	31-03-2011	31-03-2010
Income		Rs.	Rs.
Sales (Gross)		35 97 54 026	29 50 64 341
Less: Excise Duty		72 42 980	13 06 103
		35 25 11 046	29 37 58 238
Other income	11	2 75 53 366	28 25 037
Increase/ (Decrease) in Stock	12	2 64 69 778	52 19 835
		40 65 34 190	30 18 03 110
Expenditure			
Materials Consumed		23 92 03 890	15 81 19 780
Consumption of Stores, Spares & Tools		73 59 154	57 49 502
Power and Fuel		1 03 49 085	93 63 260
Employees Cost	13	4 70 50 065	3 99 01 884
Repairs and Maintenance	14	57 29 819	44 39 605
Sales Tax Paid		1 09 56 302	1 93 54 345
Selling Expenses		71 75 516	1 03 06 984
Interest Charges	15	3 16 70 993	3 04 11 936
Expenditure on Scientific Research		49 57 399	59 06 732
Other Expenses	16	3 94 11 488	3 16 94 788
Depreciation		1 69 86 287	1 39 94 800
		42 08 49 998	32 92 43 616
Loss Before Tax		(1 43 15 808)	(2 74 40 506)

Note: Schedules 11 to 16 and Notes in Schedule 17 form part of this Profit and Loss Account.

S. SRIDHARAN
Managing Director

N. GOPALARATNAM
D. VIJAYALAKSHMI
R. VAIDYANATHAN

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

Directors

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

S.V. RAJU
Secretary

Chennai
May 28, 2011

R. RAJARAM
Partner
Membership No.25210

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011 (Continued)**

	Sch No	31-03-2011	31-03-2010
		Rs.	Rs.
Loss before Tax		(1 43 15 808)	(2 74 40 506)
Provision for Taxation			
Wealth Tax		-	36 100
Deferred Tax		(51 85 853)	(93 97 268)
Excess Provision for Tax written back		47 10 661	-
Loss after Tax		(44 19 294)	(1 80 79 338)
Add : Surplus / (Deficit) from last year		(1 04 88 533)	75 90 805
BALANCE OF LOSS		(1 49 07 827)	(1 04 88 533)
APPROPRIATION			
DEFICIT CARRIED FORWARD		(1 49 07 827)	(1 04 88 533)
		(1 49 07 827)	(1 04 88 533)
Note:			
1. Weighted Average Number of Equity Shares of Rs 10/- each		17 92 768	16 29 945
Basic & Diluted Earnings per Share (including effects of Rights Issue)		(2.47)	(11.09)
2. Schedules 11 to 16 and Notes in Schedule 17 form part of this Profit and Loss Account.			
S. SRIDHARAN Managing Director	N. GOPALARATNAM D. VIJAYALAKSHMI R. VAIDYANATHAN	A. L. SOMAYAJI CMDE R. P. PREM KUMAR, VSM (Retd.)	<i>Vide our Report of even date attached</i> For M/s. R. SUBRAMANIAN AND COMPANY Chartered Accountants Firm Registration No. 004137S
S.V. RAJU Secretary	<i>Directors</i>		R. RAJARAM Partner Membership No.25210
Chennai May 28, 2011			

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2011

		AS AT 31-03-2011		AS AT 31-03-2010
	Rs.	Rs.	Rs.	Rs.
SCHEDULE 1				
SHARE CAPITAL				
Authorised				
75 00 000 equity shares of Rs. 10/- each		7 50 00 000		7 50 00 000
		7 50 00 000		7 50 00 000
Issued, Subscribed and Paid-up				
17 92 768 equity shares of Rs. 10/- each fully paid-up		1 79 27 680		1 79 27 680
[Of the above				
1. 1 99 359 Shares of Rs. 10/- each were allotted as fully paid-up pursuant to a contract, without payment being received in cash.				
2. 4 47 192 Shares of Rs. 10/- each were allotted as fully paid bonus shares by capitalisation of part of general reserve.				
3. 8 96 384 Shares of Rs 10/- each were allotted on Rights Basis to the existing share holders].				
SCHEDULE 2				
RESERVES AND SURPLUS				
Preference Share Capital Redemption Reserve				
As per last Balance Sheet		3 00 000		3 00 000
Share Premium Account				
As per last Balance Sheet	7 83 35 352		8 06 74 560	
Less : Capital Issue Expenses	-		23 29 208	
	7 83 35 352	8 06 74 560	23 29 208	7 83 35 352
General Reserve				
As per last Balance Sheet	9 64 00 000		9 64 00 000	
Less :				
Debit Balance in Profit and Loss A/c	(1 49 07 827)		1 04 88 533	
	8 14 92 173	8 14 92 173	1 04 88 533	8 59 11 467
	16 01 27 525	16 01 27 525	16 01 27 525	16 45 46 819

**SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2011 (Continued)**

	AS AT 31-03-2011	AS AT 31-03-2010
	Rs.	Rs.
SCHEDULE 3		
SECURED LOANS		
From Banks		
1 Term Loan	9 71 90 311	10 14 44 981
Secured by		
First charge on movable and immovable fixed assets of the Lead Acid Battery Facility and Second charge on all other existing movable and immovable fixed assets of the Company		
2 Working Capital Loan	16 33 77 706	15 80 83 758
Secured by		
First Charge on inventories, book debts and other moveable assets of the Company and First Charge on all moveable and immovable fixed assets of the company other than those pertaining to Lead Acid Battery Facility and Second charge on moveable and immovable fixed assets of Lead Acid Battery Facility		
	<u>26 05 68 017</u>	<u>25 95 28 739</u>

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH 2011 (CONTINUED)

SCHEDULE 4 FIXED ASSETS		(Amount in Rupees)									
		Gross Block			Depreciation				Net Block		
Description	Cost as on 01-Apr-10	Additions	Pre-operative & Trial Production Expenses	Deductions	Cost as on 31-Mar-11	Upto 31-Mar-10	For the Year	Withdrawn	Upto 31-Mar-11	As at 31-Mar-11	As at 31-Mar-10
Land	6845361	--		3253297	3592064	--	--	--	--	3592064	6845361
Building	83238237	--		--	83238237	30093090	4911269		35004359	48233878	53145147
Plant & Machinery	234907296	1845205		212220	236540281	66194361	10338209	172803	76359767	160180514	168712935
Electrical Installation	13164270	27908		--	13192178	5868053	1016103	--	6884156	6308022	7296217
Office Equipment	13759182	1066248		380000	14445430	11670933	567040	371668	11866305	2579125	2088249
Furniture & Library	2080935	150716			2231651	1929355	110867	--	2040222	191429	151580
Vehicles	1383579	--		--	1383579	1216115	42799	--	1258914	124665	167464
TOTAL	355378860	3090077	--	3845517	354623420	116971907	16986287	544471	133413723	221209697	238406953
Previous Year	161836318	158134129	35562632	154219	355378860	103070329	13994800	93222	116971907	238406953	58765989

**SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2011 (Continued)**

	AS AT 31-03-2011	AS AT 31-03-2010
	Rs.	Rs.
SCHEDULE 5		
INVESTMENTS		
Long Term Investments (Non - Trade) - At Cost		
I Quoted		
2 80 382 Equity Shares of Rs. 10/- each in Ponnii Sugars (Erode) Limited (Market Value Rs 2 63 55 908/-)	54 33 502	54 33 502
10 329 Equity shares of Rs. 10/- each in Seshasayee Paper and Boards Limited (Market Value Rs 25 64 691/-)	1 25 530	1 25 530
II Unquoted		
45 000 Equity shares of Rs.10/- each in SPB Projects and Consultancy Limited.	4 51 000	4 51 000
1 500 Equity shares of Rs. 10/- each in GPC Technologies Limited.	15 000	15 000
830 Equity shares of Rs. 10/- each in Esvin Advanced Technologies Limited.	8 301	8 301
Total	<u>60 33 333</u>	<u>60 33 333</u>

Note: 1. Aggregate cost of quoted investments Rs.55.59 lakhs (Previous year Rs. 55.59lakhs)
Market value - Rs.289.21 lakhs (Previous year Rs.316.03 Lakhs)

2. Aggregate cost of unquoted investments Rs. 4.74 lakhs (Previous year Rs. 4.74 lakhs)

SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2011 (Continued)

	AS AT 31-03-2011	AS AT 31-03-2010
	Rs.	Rs.
SCHEDULE 6		
INVENTORIES		
1 Raw materials and Components	21 03 99 345	15 01 47 831
2 Stores, Spares & Tools	86 48 391	96 20 242
3 Work-in-Progress	2 85 13 160	1 11 36 036
4 Finished Goods	1 07 91 403	16 98 749
	<u>25 83 52 299</u>	<u>17 26 02 858</u>
SCHEDULE 7		
SUNDRY DEBTORS		
Unsecured - considered Good		
Exceeding Six months	94 09 015	80 38 435
Other Debts	12 29 06 297	7 73 42 153
Total	<u>13 23 15 312</u>	<u>8 53 80 588</u>
SCHEDULE 8		
CASH AND BANK BALANCES		
Cash on hand	1 07 816	1 10 878
Balances with Scheduled Banks		
Current accounts	18 91 917	10 12 701
Deposit Account	72 50 000	40 00 000
Unpaid dividend accounts	5 46 000	5 99 323
Total	<u>97 95 733</u>	<u>57 22 902</u>
SCHEDULE 9		
LOANS AND ADVANCES		
Unsecured - considered good		
Advances recoverable in cash or in kind or for value to be received	2 04 29 170	76 64 693
Deposits	14 94 115	42 31 496
Balance with Central Excise, Customs, etc	79 415	69 497
CENVAT / Service Tax / VAT Receivable	2 05 01 579	2 01 58 024
Tax payment pending adjustment (Net)	66 53 843	80 01 298
MAT Credit Entitlement	14 48 000	14 48 000
Total	<u>5 06 06 122</u>	<u>4 15 73 008</u>

**SCHEDULES TO BALANCE SHEET AS AT 31st MARCH, 2011 (Continued)**

	AS AT 31-03-2011 Rs.	AS AT 31-03-2010 Rs.
SCHEDULE 10		
CURRENT LIABILITIES		
A. Current Liabilities		
Customers Advances	10 69 56 695	72 97 000
Sundry Creditors	10 09 90 307	6 40 38 183
Other Liabilities	1 57 87 591	2 01 87 364
Unclaimed Dividend	5 46 000	5 99 323
	<u>22 42 80 593</u>	<u>9 21 21 870</u>
Note :		
1. (a) Additional disclosures in respect of Micro and Small Enterprises	Nil	Nil
(b) Status of Creditors as Micro/Small Enterprise is determined on the basis of information received by the company.		
2. There is no amount due and outstanding to be credited to Investor Education and Protection Fund		
B. Provisions		
Proposed dividend	-	-
	<u>-</u>	<u>-</u>

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011

SCHEDULE 11		
OTHER INCOME		
Interest Received (Gross)*	5 22 432	85 964
Dividend - Non Trade Investments	12 96 002	8 49 607
Rent	15 060	15 060
Profit on Sale of Assets	1 80 41 662	-
Exchange Differences	11 52 479	-
Miscellaneous receipts	65 25 731	18 74 406
	<u>2 75 53 366</u>	<u>28 25 037</u>
*Tax Deducted at Source	7 796	17 193

SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011 (Continued)

	31-03-2011	31-03-2010
	Rs.	Rs.
SCHEDULE 12		
INCREASE / (DECREASE) IN STOCK		
Opening Stock of :		
Work-in-progress	1 11 36 036	76 14 950
Finished Goods	<u>16 98 749</u>	-
	<u>1 28 34 785</u>	<u>76 14 950</u>
Closing stock of :		
Work-in-progress	2 85 13 160	1 11 36 036
Finished Goods	<u>1 07 91 403</u>	16 98 749
	<u>3 93 04 563</u>	<u>1 28 34 785</u>
Increase / (Decrease) in Stock	<u>2 64 69 778</u>	52 19 835
SCHEDULE 13		
EMPLOYEE COST		
Salaries, Wages and Bonus	3 61 97 093	3 09 45 073
Contribution to:		
Employees Provident Fund including administrative charges	19 80 735	17 21 366
Gratuity Life Assurance Scheme	26 36 386	19 88 000
Superannuation Scheme	9 10 505	5 42 501
Employee State Insurance	1 03 960	-
Welfare Expenses	<u>52 21 386</u>	<u>47 04 944</u>
Total	<u>4 70 50 065</u>	<u>3 99 01 884</u>
SCHEDULE 14		
REPAIRS AND MAINTENANCE		
Buildings	22 45 762	15 68 132
Machinery	20 34 283	6 66 797
Others	<u>14 49 774</u>	<u>22 04 676</u>
	<u>57 29 819</u>	<u>44 39 605</u>

**SCHEDULES TO PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2011 (Continued)**

	31-03-2011	31-03-2010
	Rs.	Rs.
SCHEDULE 15		
INTEREST CHARGES		
Interest on		
Term Loan	1 44 89 437	93 71 016
Others	1 71 81 556	2 10 40 920
	<u>3 16 70 993</u>	<u>3 04 11 936</u>
SCHEDULE 16		
OTHER EXPENSES		
Finance Charges	60 49 425	34 16 752
Rent	11 34 736	13 08 053
Rates and Taxes	10 14 271	9 50 697
Insurance	13 36 712	12 25 722
Postage, Telegram & Telephones	12 82 755	14 50 421
Travelling and Conveyance	1 62 93 808	1 14 88 926
Directors' Sitting Fees	1 02 000	1 20 000
Auditors' Remuneration :		
For audit	1 93 025	1 93 025
Tax Audit	44 120	44 120
Other Services	49 635	1 49 635
Expenses	27 044	17 004
Professional and Legal Charges	31 50 322	28 59 301
Exchange Difference (Net)	-	2 14 430
General Expenses	87 33 635	82 09 764
Loss on Sale of Asset	-	46 938
Total	<u>3 94 11 488</u>	<u>3 16 94 788</u>

SCHEDULE 17

Notes forming part of the Balance Sheet as at 31st March 2011 and the Profit and Loss Account for the year ended 31st March 2011.

1. SIGNIFICANT ACCOUNTING POLICIES**a) Accounting Concepts**

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

b) Revenue Recognition

Revenue is recognised and expenditure is accounted for on their accrual.

Excise duty recovery from customer is deducted from Gross Turnover.

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

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

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

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

c) Use of Estimates

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

d) Fixed Assets

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

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

e) Depreciation

The assets, with the exception of plant and machinery, are depreciated on written down value basis. Plant and Machinery are depreciated on straight-line method. Depreciation is provided in accordance with Schedule XIV of the Companies Act 1956.

f) Inventories

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

g) Investment

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



SCHEDULE 17 (Continued)

h) Research and Development Expenditure

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

i) Employee Benefits

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

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

Liabilities in respect of defined benefit plans are determined based on actuarial valuation made by an independent actuary using Projected Unit Credit Method as at the balance sheet date. Actuarial gains or losses are recognized immediately in the profit and loss account. Obligation for leave encashment is recognized in the same manner.

Terminal benefits are recognized as an expense as and when incurred.

j) Provision, Contingent Liabilities and Contingent Assets

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

k) Taxes on Income

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

l) Foreign Exchange Transactions

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

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

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

SCHEDULE 17 (Continued)**m) Insurance Claims**

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

n) Borrowing Costs

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

o) Impairment of Assets

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

p) Earnings per share

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

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

q) Segment Reporting

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

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

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

r) Derivatives

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

Gains / losses on the futures contracts are recognized on settlement during the year. Provision is made for losses in respect of all outstanding derivative contracts as at the balance sheet date by marking them to market, while gains are ignored.

2. Figures have been rounded off to the nearest Rupee and the figures for the previous year have been regrouped and reclassified wherever necessary.
3. Transfer to Deferred Tax is mainly on account of difference in charging depreciation prescribed under the Companies Act 1956, and allowable under the Income Tax Act, 1961.



SCHEDULE 17 (Continued)

Deferred Tax Liability (Net) as at 31.03.2011 comprises of:

	31.03.2011	31.03.2010
	<i>(Rs in Lakhs)</i>	
Deferred Tax Liability (Related to Depreciation)	332.48	332.48
Less : Deferred Tax Asset		
- 43B disallowance	2.65	2.79
- Unabsorbed Losses and allowance under the Income Tax Act 1961	275.74	223.74
	<u>54.09</u>	<u>105.95</u>

Note:

Based on firm orders on hand and improvement in the performance of the Lead Acid Battery Division, in the opinion of the Management, the company will have taxable income in future and there exists virtual certainty of the Deferred Tax Assets (DTA) getting realised. Accordingly Deferred Tax Assets amounting to Rs. 51.86 lakhs has been recognised in the current Year. (Previous Year Rs 93.97 lakhs).

4. Operating Lease Commitments

The future minimum lease payments under non-cancellable operating lease in case of each of the following:

	31.03.2011	31.03.2010
	<i>(Rs in Lakhs)</i>	
(i) Not Later than one year	Nil	4.44
(ii) Later than one year and not later than five years	Nil	Nil
(iii) Later than five years	Nil	Nil

5. Contingent Liabilities not provided for :

- a. Counter guarantees and commitments on Letters of Credit Rs.1250.41 lakhs (Previous year Rs.1077.02 lakhs).
- b. Claims against the Company not acknowledged as debts Rs.28 lakhs (Previous year Rs.28 lakhs).
- c. Bills discounted with Banks : Nil (Previous year Rs.331.06 lakhs).
- d. Bond Executed in favour of Commissioner of Customs towards Project Imports Rs. 695.29 lakhs (Previous year Rs.695.29 lakhs).

SCHEDULE 17 (Continued)

6. Estimated amount of contracts remaining to be executed on Capital accounts: Rs.4.61 lakhs. (Previous year Rs.0.83 lakhs)
7. Selling expenses include Rs.4.63 lakhs towards commission on sales (Previous year Rs.29.22 lakhs)
8. Expenditure on Scientific Research includes salaries and allowances Rs. 46.50 lakhs (Previous year Rs. 50.08 lakhs) and materials Rs.3.07 lakhs (Previous year Rs.8.98 lakhs)
9. In terms of development contract with a customer, assets and development expenditure of the value of Rs.191 lakhs has been incurred and equivalent amount received from the customer is netted against the same. The company is holding these assets as a bailee in terms of the development contract.
10. Other Income includes Profit on sale of land amounting to Rs.180.42 lakhs.
11. Movement in estimated Liability towards Warranty as per Accounting Standard 29 (AS 29)

31.03.2011 31.03.2010
(Rs in Lakhs)

Provision at the beginning of the year	17.00	17.00
Withdrawal during the year	(-) 1.00	(-) 10.00
Addition during the year	(+) Nil	(+) 10.00
Used during the year	-	--
	16.00	17.00

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

(i) Name of the transacting Related Party:

- ī Sri. S. Sridharan, Managing Director
- ī Seshasayee Paper and Boards Limited (SPB)
- ī Ponni Sugars (Erode) Limited (PEL)
- ī SPB Projects and Consultancy Limited (SPB-PC)

(ii) A description of the relationship between the parties:

Presumption of Significant influence.

(iii) A description of the nature of the transactions and volume of the transaction, either as an amount or as an appropriate proportion:

S Sridharan

- ī Sri S Sridharan is the Managing Director and was in receipt of remuneration as disclosed in Note No.15 (a).



SCHEDULE 17 (Continued)

S.No.	Name of the Party	Description of transactions and amount during the year			Amount Outstanding as on 31.03.2011
		Nature of Transaction	Rs in lakhs		
			31.03.11	31.03.10	
1	Seshasayee Paper and Boards Ltd	<i>Interest Paid</i> <i>Dividend Paid</i> <i>Expenses Reimbursement</i> <i>Purchase of Paper</i> <i>Dividend Received</i> <i>Subscription received towards Rights Issue of Shares</i>	6.00 -- 1.39 0.36 0.61 --	6.90 2.90 1.30 0.33 0.36 200.00	Assets : Investments in : 0.10 lakhs Equity Shares (0.09%) Liabilities : 2.83 lakhs Equity Shares (15.78%) ICD of Rs. 50 lakhs Payables : Nil
2	Ponni Sugars (Erode) Ltd	<i>Dividend Received</i> <i>Subscription received towards Rights Issue of Shares</i>	11.22 --	7.01 100.00	Assets : Investments in : 2.80 lakhs Equity Shares (3.42%) Liabilities : 1.00 lakh Equity Shares (5.58%)
3	SPB Projects and Consultancy Ltd	<i>For providing facility</i> <i>Dividend Received</i> <i>Expenses Reimbursement</i> <i>Interest Paid</i>	7.28 1.13 0.30 2.13	7.28 1.12 1.57 0.90	Assets : Investments in : 0.05 lakhs Equity Shares (19.98%) Facility Advance of Rs. 6.60 lakhs Liabilities : ICD of Rs. 50 lakhs Payables : Nil

13. The disclosures as required under Accounting Standard AS-17 'Segment Reporting' issued by the Institute of Chartered Accountants of India is as under:

- a. The company has considered business segment as the primary segments for disclosure. The business segments are Aerospace, Naval and Power System Batteries and Lead Acid Batteries. The above reportable segments have been identified based on the organisation structure as well as differing risks and returns associated with the segments.
- b. Segmental expenses and revenue wherever could not be identified to a particular segment has been treated as Unallocated expenses and revenue.
- c. Segment assets and segment liabilities represent assets and liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as unallocable.

SCHEDULE 17 (Continued)

(Rs. in lakhs)

S.No.	Particulars	For the Year Ended 31st March 2011	For the Year Ended 31st March 2010
A)	Primary Segments		
1	Segment Revenue		
	a) Aerospace, Naval and Power System Batteries	3265.56	2902.99
	b) Lead Acid Storage Batteries	259.55	34.59
	Net Sales / Income from Operations	3525.11	2937.58
2	Segment Results (Loss before tax)		
	a) Aerospace, Naval and Power System Batteries	394.13	445.20
	b) Lead Acid Storage Batteries	(285.43)	(126.79)
	Add : Unallocable income net of unallocable expenditure	251.86	592.82
	Loss Before Tax	(143.16)	(274.41)
3	Other Information		
	Segment Assets		
	a) Aerospace, Naval and Power System Batteries	4261.07	3053.31
	b) Lead Acid Storage Batteries	2062.72	2128.15
	c) Unallocable	459.33	315.72
	Total	6783.12	5497.18
	Segment Liabilities		
	a) Aerospace, Naval and Power System Batteries	1966.65	622.50
	b) Lead Acid Storage Batteries	112.82	90.85
	c) Unallocable	163.34	207.85
	Total	2242.81	921.20
	Total Capital Expenditure	30.90	1936.97
	Depreciation	169.86	139.95
B)	Secondary Segments (Geographical)		
	Segment Revenue		
	a) Export sales	1947.73	959.25
	b) Domestic sales	1577.38	1978.33
	Total	3525.11	2937.58

14. Employee Benefits

i) Defined Contribution Plans

Contribution of Rs.19.81 lakhs to defined contribution plans is recognized as expense and included in Employee cost (Schedule 13) in the profit and loss account. (Previous year Rs.17.21 lakhs)

ii) Defined Benefit Plans

Disclosure for defined plans based on actuarial valuation as on 31.03.2011.



SCHEDULE 17 (Continued)

General Description	Post Employment Benefit		Long Term Compensated absence	
	Gratuity - Funded Plan - Non Contributory		Leave Encashment - Unfunded - Non Contributory	
	31.03.11	31.03.10	31.03.11	31.03.10
	Rs. in lakhs		Rs. in lakhs	
(i) Change in Defined Benefit obligation				
Present Value - Opening Balance	100.79	90.44	16.80	18.20
Current Service Cost	6.13	5.07	4.27	3.57
Interest Cost	7.88	6.27	1.16	1.12
Past Service Cost	10.14	-	-	-
Actuarial Loss / (Gain)	7.20	12.57	1.97	0.45
Benefits paid	(4.67)	(13.56)	(4.67)	(6.54)
Present Value - Closing Balance	127.47	100.79	19.53	16.80
(ii) Change in Fair Value of Plan Assets				
Opening Balance	93.11	88.40	-	-
Expected return on plan assets	8.76	8.04	-	-
Actuarial gain/(loss)	(0.18)	(0.40)	-	-
Contributions	7.85	10.63	4.67	6.54
Benefits paid	(4.67)	(13.56)	(4.67)	(6.54)
Closing Balance	104.87	93.11	-	-
Actual return	8.58	7.64	-	-
(iii) Amount Recognised in the Balance Sheet (as at year end)				
Present value of the obligation	127.47	100.79	19.53	16.80
Fair value of plan assets	104.87	93.11	-	-
Net (asset) / liability recognised	22.60	7.68	19.53	16.80

SCHEDULE 17 (Continued)

General Description		Post Employment Benefit		Long Term Compensated absence	
		Gratuity		Leave Encashment	
		- Funded Plan		- Unfunded	
		- Non Contributory		- Non Contributory	
		31.03.11	31.03.10	31.03.11	31.03.10
		Rs. in lakhs		Rs. in lakhs	
(iv)	Expenses recognized in the profit and loss account				
	Current service cost	6.13	5.07	4.27	3.57
	Interest Cost	7.88	6.27	1.16	1.12
	Expected return on plan assets	(8.76)	(8.04)	-	-
	Net actuarial (gain)/loss	7.38	12.97	1.97	0.45
	Total included in Employee Cost (Sch 13)	22.77	16.27	7.40	5.14
(v)	Asset Information	Insurance Policy 100%		-	
(vi)	Principal actuarial assumptions	LIC (1994-96) Ultimate table		LIC (1994-96) Ultimate table	
	Mortality				
	Discount Rate (%)	8.00	8.00	8.00	8.00
	Future Salary Increase (%)	5.00	5.00	5.00	5.00
	Rate of return of plan assets (%)	9.25	9.25	-	-
	Expected Average remaining working lives of employees (Years)	9.00	10.00	10.00	10.00
(vii)	Expected Contribution (Rs. in lakhs)	20.00	10.00	-	-
(viii)	The estimate of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as, supply and demand in the employment market.				



SCHEDULE 17 (Continued)

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

Particulars	Gratuity				Leave Encashment			
	31.03.11	31.03.10	31.03.09	31.03.08	31.03.11	31.03.10	31.03.09	31.03.08
Defined Benefit Obligation	127.47	100.79	90.44	81.96	19.53	16.80	18.20	15.01
Plan Assets	104.87	93.11	88.40	74.08	-	-	-	-
Surplus / (Deficit)	(22.60)	(7.68)	(2.04)	(7.88)	19.53	16.80	18.20	15.01
Experience adjustments on Plan Liabilities	(7.20)	(12.57)	(7.75)	3.85	1.97	0.45	5.16	1.26
Experience adjustments on Plan Assets	(0.18)	(0.40)	(0.29)	(0.30)	-	-	-	4.41

* Transitional liability to be recognized in future in respect Gratuity of Rs.3.60 lakhs and Long term compensated absence of Rs.1.11 lakhs.

15. Information required by Paragraphs 4, 4A, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956

a. Director's Remuneration

(included in Schedule 13)

	Managing Director 31-03-2011	Managing Director 31-03-2010
	Rs.	Rs.
Salary	9 00 000	9 00 000
Special Allowance	3 60 000	3 60 000
Contribution to :		
Provident Fund	86 400	86 400
Super Annuation Scheme	1 08 000	1 08 000
Gratuity	--	--
Personal Accident Insurance Premium	4 791	4 766
Medical Reimbursement	--	--
	<u>14 59 191</u>	<u>14 59 166</u>

Remuneration excludes provision for liabilities in respect of Gratuity and Leave Encashment that are based on actuarial valuation on overall company basis.

SCHEDULE 17 (Continued)

b. Computation of Net Profit in accordance with Sections 198, 309 & 349 of the Companies Act, 1956

	31-03-2011		31-03-2010	
	Rs.	Rs.	Rs.	Rs.
Profit (Loss) before taxation as per Profit and Loss A/c		(1 43 15 808)		(2 74 40 506)
Less :				
Directors' Sitting Fees	1 02 000		1 20 000	
Director's Remuneration :				
Salaries & Perquisites	14 59 191		14 59 166	
Commission on Profit	--		--	
Loss on Sale of Asset	--	15 61 191	--	16 26 104
		(1 27 54 617)		(2 58 14 402)
Less: Profit on Sale of Asset		1 80 41 662		--
Net Profit / (Loss)		(3 07 96 279)		(2 58 14 402)
5% of Net Profit		--		--
Due to Loss, no commission is payable				

c. Capacities and Production

		31-03-2011		31-03-2010	
	Unit	*Installed Capacity	Actual Production	*Installed Capacity	Actual Production
Silver Zinc Batteries	Ampere Hours	24 00 000	9 40 396	24 00 000	7 22 739
Nickel Cadmium Cells	Ampere Hours	3 00 000	62 060	3 00 000	3 28 080
Lead Acid Batteries	Numbers	2 00 000	** 17 069	--	3 252

* As certified by the Management

** Includes batteries (3400 Nos.) imported

d. Turnover (Including Excise Duty and Sales Tax)

	31-03-2011		31-03-2010	
	Nos.	Rs.	Nos.	Rs.
Silver Zinc High Energy Batteries	257	26 75 72 773	571	17 40 35 933
Other Silver Zinc Batteries and Cells	--	5 44 97 971		5 15 48 637
Fuel Cells	--	--	-	-
Cuprous Chloride Batteries	--	--	2	1 99 62 750
Nickel Cadmium Cells	2 439	88 60 040	7 712	4 54 41 815
VRLA Batteries	--	--	169	3 47 445
Lead Acid Batteries **	11 291	2 88 23 242	1 491	37 27 761
		35 97 54 026		29 50 64 341

** Excludes Free / test and evaluation samples and includes imported batteries sold in the local market.



SCHEDULE 17 (Continued)

e. Opening and Closing Stock of Finished Goods

	31-03-2011		31-03-2010	
	Opening Stock Nos.	Closing Stock Nos.	Opening Stock Nos.	Closing Stock Nos.
Silver Zinc Batteries	Nil	Nil	Nil	Nil
Nickel Cadmium Cells / Batteries	Nil	Nil	Nil	Nil
Lead Acid Batteries	1644	7422	Nil	1644

f. Raw Materials & Component parts consumed

	31-03-2011		31-03-2010	
	Rs.		Rs.	
Silver (Kgs.)	3 403	12 77 03 854	1 918	4 51 11 610
Silver Chloride Sheet (Nos.)	--	--	6 854	3 26 41 718
Copper (Kgs.)	3 484	20 58 822	2 675	14 22 501
Lead (Kgs.)	2 02 636	2 26 49 104	40 311	42 76 394
Others	--	3 88 78 155	--	2 27 63 669
Components of various descriptions	--	4 79 13 955	--	5 19 03 888
		<u>23 92 03 890</u>		<u>15 81 19 780</u>

g. Value of Imports on CIF Basis

	31-03-2011	31-03-2010
	Rs.	Rs.
Raw materials and Components	13 75 10 640	5 54 51 747
Stores and Spares	1 33 082	12 13 397
Capital Goods	--	1 25 12 203
	<u>13 76 43 722</u>	<u>6 91 77 347</u>

h. Expenditure in Foreign Currency during the year

	31-03-2011	31-03-2010
	Rs.	Rs.
Foreign Travel Expenditure	12 59 785	18 08 431
Others	--	20 11 115
	<u>12 59 785</u>	<u>38 19 546</u>

i. Amounts Remitted in Foreign Currencies

	31-03-2011	31-03-2010
	Rs.	Rs.
Dividend	--	1 40 000
No. of Non-Resident Shareholders	--	1
No. of Shares held	--	40 000

SCHEDULE 17 (Continued)

j. Earnings in Foreign Currency during the year	31-03-2011	31-03-2010
	Rs.	Rs.
Export of Goods on F.O.B basis	19 47 73 208	7 74 12 627
	<u>19 47 73 208</u>	<u>7 74 12 627</u>

k. Value of Imports / Indigenous Raw Materials / Components / Stores and spares consumed (Excluding Trial Production Consumption)

	31-03-2011		31-03-2010	
	Value	%	Value	%
	Rs.		Rs.	
Raw materials and Components :				
Imported - Landed Cost	13 33 69 483	56.00	6 07 58 647	38.00
Indigenous	10 58 34 407	44.00	9 73 61 133	62.00
	<u>23 92 03 890</u>	<u>100.00</u>	<u>15 81 19 780</u>	<u>100.00</u>
Stores, Spares and Tools :				
Imported - Landed Cost	78 250	1.00	14 88 863	26.00
Indigenous	72 80 904	99.00	42 60 639	74.00
	<u>73 59 154</u>	<u>100.00</u>	<u>57 49 502</u>	<u>100.00</u>

I. Basis for Calculation of Basic and Diluted Earnings per Share

		2010-2011	2009-2010
Net Profit/(Loss) as per Profit and Loss Account	Rs	(44 19 294)	(1 80 79 338)
Weighted Average Number of Equity Share	Nos	17 92 768	16 29 945
Face Value	Rs	10	10
Basic and Diluted Earnings per share including effects of Rights Issue	Rs	(2.47)	(11.09)



**ADDITIONAL INFORMATION AS PER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

I Registration details

Registration No.

0	4	6	0	6
---	---	---	---	---

 State Code

1	8
---	---

Balance Sheet date

3	1
---	---

0	3
---	---

2	0	1	1
---	---	---	---

Date Month Year

II Capital raised during the year (amount in Rs Thousands)

Public Issue

		N	I	L		
--	--	---	---	---	--	--

Rights Issue

		N	I	L		
--	--	---	---	---	--	--

III Position of mobilisation and deployment of funds (amount in Rs Thousands)

Total Liabilities

	4	5	4	0	3	2
--	---	---	---	---	---	---

Total Assets

	4	5	4	0	3	2
--	---	---	---	---	---	---

Sources of funds :

Paid up Capital

		1	7	9	2	8
--	--	---	---	---	---	---

Reserves and Surplus

		1	6	0	1	2	8
--	--	---	---	---	---	---	---

Deferred Tax

			5	4	0	8
--	--	--	---	---	---	---

Secured Loans

		2	6	0	5	6	8
--	--	---	---	---	---	---	---

Unsecured Loan

			1	0	0	0	0
--	--	--	---	---	---	---	---

Application of Funds :

Net Fixed Assets

		2	2	1	2	1	0
--	--	---	---	---	---	---	---

CWIP

			N	I	L		
--	--	--	---	---	---	--	--

Investments

			6	0	3	3
--	--	--	---	---	---	---

Net Current Assets

		2	2	6	7	8	9
--	--	---	---	---	---	---	---

Misc. Expenditure

				N	I	L
--	--	--	--	---	---	---

Accumulated Losses

					N	I	L
--	--	--	--	--	---	---	---

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (Continued)

IV Performance of Company (Amount in Rs Thousands)

Turnover							
	3	5	2	5	1	1	
+ - Profit/Loss Before Tax							
-			1	4	3	1	6
Earnings Per Share in Rs.							
(-)			2				

Total Expenditure							
	4	2	0	8	5	0	
+ - Profit/Loss After Tax							
-			4	4	1	9	2
Dividend rate %							
	N	I	L				

V Generic names of three principal products/services of Company

Item Code No. (ITC code)

Product description

Item Code No. (ITC code)

Product description

Item Code No. (ITC code)

Product description

Item Code No. (ITC code)

Product description

8 5 0 6 4 0 0 0

P r i m a r y
B a t t e r i e s
S i l v e r O x i d e

8 5 0 7 3 0 0 0

E l e c t r i c
A c c u m u l a t o r s
N i c k e l C a d m i u m

8 5 0 7 2 0 0 0

O t h e r
L e a d A c i d
A c c u m u l a t o r s

* Note :

For ITC Code of products please refer to the publication Indian Trade Classification based on harmonized commodity description and coding system by the Ministry of Commerce, Directorate General of Commercial Intelligence and Statistics, Kolkatta 700 001.



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT**

Description	FOR THE YEAR ENDED 31-03-2011 Rs. Lakhs	FOR THE YEAR ENDED 31-03-2010 Rs. Lakhs
A. Cash Flow from Operating Activities		
Net Profit before tax and exceptional items	(143.16)	(274.41)
Adjustments for :		
Depreciation	169.86	139.95
Interest (Net)	311.49	303.26
(Profit)/Loss on Sale of Assets	(180.42)	0.47
Dividend from Non Trade Investments	(12.96)	(8.50)
	287.97	435.18
Operating Profit before Working Capital Changes	144.81	160.77
Adjustments for :		
Trade and other Receivables	(573.15)	74.49
Inventories	(857.49)	169.79
Trade and other Payables	1322.12	3.41
	(108.52)	247.69
Cash generated from Operation	36.29	408.46
Income tax / Fringe Benefit tax paid	60.58	(11.63)
Net cash used in operating activities	96.87	396.83
B. Cash Flow from Investing Activities		
Purchase of fixed Assets	(30.90)	(466.28)
Dividend from Non Trade Investments	12.96	8.50
Interest Received	5.22	0.86
Sale of Fixed Assets	213.43	0.14
Net Cash used in Investing Activities	200.71	(456.78)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2011
PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT (Continued)

Description	FOR THE YEAR ENDED 31-03-2011 Rs. Lakhs	FOR THE YEAR ENDED 31-03-2010 Rs. Lakhs								
C. Cash Flow from Financing Activities										
Proceeds from Rights issue of Share Capital	-	872.99								
Proceeds from Long Term Borrowings	-	168.97								
Repayment of Long Term Borrowings	(42.55)	-								
Repayment of Short Term Borrowings	-	(936.54)								
Proceeds of Short Term Borrowings	50.00	-								
Working Capital Loan	52.94	340.68								
Interest Paid	(316.71)	(304.12)								
Dividend and Dividend Tax Paid	-	(36.71)								
Net Cash used in/ from Financing Activities	(256.32)	105.27								
Net Increase / (Decrease) in Cash and Cash Equivalents	41.26	45.32								
Cash and Cash Equivalents at the beginning	51.24	5.91								
Cash and Cash Equivalents at the end	92.50	51.23								
<table style="width: 100%; border: none;"> <tr> <td style="width: 25%; vertical-align: top;"> S. SRIDHARAN Managing Director </td> <td style="width: 25%; vertical-align: top;"> N. GOPALARATNAM D. VIJAYALAKSHMI R. VAIDYANATHAN </td> <td style="width: 25%; vertical-align: top;"> A. L. SOMAYAJI CMDE R. P. PREM KUMAR, VSM (Retd.) </td> <td style="width: 25%; vertical-align: top;"> <i>Vide our Report of even date attached</i> For M/s. R. SUBRAMANIAN AND COMPANY Chartered Accountants Firm Registration No. 004137S </td> </tr> <tr> <td style="vertical-align: top;"> S.V. RAJU Secretary Chennai May 28, 2011 </td> <td style="vertical-align: top; text-align: center;"> <i>Directors</i> </td> <td></td> <td style="vertical-align: top; text-align: right;"> R. RAJARAM Partner Membership No.25210 </td> </tr> </table>			S. SRIDHARAN Managing Director	N. GOPALARATNAM D. VIJAYALAKSHMI R. VAIDYANATHAN	A. L. SOMAYAJI CMDE R. P. PREM KUMAR, VSM (Retd.)	<i>Vide our Report of even date attached</i> For M/s. R. SUBRAMANIAN AND COMPANY Chartered Accountants Firm Registration No. 004137S	S.V. RAJU Secretary Chennai May 28, 2011	<i>Directors</i>		R. RAJARAM Partner Membership No.25210
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