

Directors

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

Audit Committee

Mr. A.L. Somayaji (Chairman)
Cmde R.P. Prem Kumar, VSM, (Retd.)
Mrs. Lalitha Lakshmanan
Mr. Raj Kumar, (Nominee of LIC)*
*upto 25-03-2017

Nomination cum Remuneration Committee

Mr. A.L. Somayaji (Chairman)
Cmde R.P. Prem Kumar, VSM, (Retd.)
Mr. Raj Kumar, (Nominee of LIC)*
*upto 25-03-2017

Stakeholders Relationship Committee

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

Secretary

Mr. S.V. Raju

Auditors

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

Internal Auditors

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

Bankers

UCO Bank
Indian Bank
Canara Bank

Registered Office

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

Corporate Identity Number

L36999TN1961PLC004606

Plant

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

Registrar & Transfer Agent

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



CONTENTS

	Page
Notice	3
Board's Report	13
Corporate Governance Report	17
Secretarial Audit Report	46
Auditor's Report	49
Balance Sheet	56
Statement of Profit and Loss	57
Notes on Financial Statements	58
Cash Flow Statement	79

NOTICE TO THE SHAREHOLDERS

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 56th Annual General Meeting of HIGH ENERGY BATTERIES (INDIA) LIMITED will be held at 11.00 A.M on Saturday, the 5th August 2017 at **New Woodlands Hotel Pvt. Ltd., No.72-75, Dr. Radhakrishnan Road, Mylapore, Chennai 600 004**, to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

To consider and adopt the Financial Statements of the company for the year ended 31st March 2017 and the Reports of the Board of Directors and Auditors thereon.

2. Reappointment of retiring Director

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

3. Appointment of Auditors'

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

"RESOLVED that pursuant to Section 139 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder the company do hereby appoint M/s Maharaj N R Suresh and Company Chartered Accountants, Chennai (Firm Registration No.001931S) as Statutory Auditors of the Company, to hold office for a period of five years from the conclusion of this Annual General Meeting till the conclusion of the 61st Annual General Meeting of the

company on such remuneration fixed by the Board of Directors on the recommendation of Audit Committee from time to time.

PROVIDED THAT the appointment as above shall be subject to ratification by members at every Annual General Meeting in accordance with the first proviso to Section 139(1) of the Companies Act, 2013 or as may be amended from time to time.

SPECIAL BUSINESS – ORDINARY RESOLUTION

4. Reappointment of Dr G A Pathanjali as Managing Director

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that Dr G A Pathanjali (DIN 05297665), whose current term of office expired on 31.03.2017 be and is hereby re-appointed as Managing Director of the Company for a period of three years from 01.04.2017 to 31.03.2020.

RESOLVED FURTHER that pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), approval be and is hereby accorded for the re-appointment of Dr. G.A. Pathanjali as Managing Director with effect from 1st April 2017, on the terms and conditions of appointment and remuneration as set out below and the Board of Directors be and

NOTICE TO THE SHAREHOLDERS

is hereby authorised to alter and vary such terms of appointment and remuneration so as to not exceed the limits specified in Section II of Part II of Schedule V to the Companies Act, 2013.”

TERMS AND CONDITIONS:

1 Period	1 st April 2017 to 31 st March 2020
2 Remuneration	(i) <i>Salary</i> : ₹1,50,000/- (Rupees One lakh Fifty Thousand only) per month including Dearness Allowance and all other allowances.
	(ii) <i>Commission</i> : Equivalent to 1% percent of the net profits of the Company subject to a ceiling of an amount equal to the annual salary.
3 Perquisites	Perquisites will be in addition to salary and commission and shall be restricted to an amount equal to the annual salary.
	(i) <i>HRA</i> : ₹20,000/- (Rupees Twenty Thousand only) per month.
	(ii) <i>Gas, Electricity, Water and Furnishings</i> : The expenditure incurred by the Company on gas, electricity, water and furnishing shall be valued as per the Income-tax Rules, 1962, subject to a ceiling of 10% of the salary of the Managing Director.
	(iii) <i>Medical Reimbursement</i> : Reimbursement of expenses incurred for self and family subject to a ceiling of one month salary in a year or three months' salary over a period of three years.
	(iv) <i>Club Fees</i> : Fees of Clubs subject to a maximum of two clubs. No admission and life membership fee will be paid.
	(v) <i>Personal Accident Insurance</i> : Personal Accident Insurance of an amount, the annual premium of which does not exceed ₹ 5,000/- (Rupees Five Thousand only) per annum.
(vi) <i>Contribution to Provident Fund and Super annuation Fund</i> : a) Company's contribution towards Provident Fund as per the Rules of the Company. b) Company's contribution towards Super annuation Fund as per the Rules of the Company. Contribution to Provident Fund, Superannuation Fund or Annuity Fund will not be included in the computation of the ceiling on perquisites to the extent these either	

	singly or put together are not taxable under the Income-tax Act.
(vii)	<i>Gratuity</i> : As per the Rules of the Company and will not be included in the computation of the ceiling on perquisites
(viii)	<i>Leave Salary</i> : 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.
(ix)	<i>Use of Car and Telephone</i> : 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 Board may decide the quantum of special allowance to be paid to Managing Director in addition to the 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 – V to the Companies Act, 2013. No commission is payable in such year.

Note: Net Profits for this purpose shall be as per computation of Net Profits under Section 198 of the Companies Act, 2013.

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

S.V. RAJU
Secretary

Chennai
May 29, 2017

NOTICE TO THE SHAREHOLDERS

NOTES

1. **A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on poll instead of himself and such proxy need not be a member of the Company.**
2. Proxies in order to be effective, must be received at the Registered Office of the Company not later than 48 hours before the meeting i.e. 11.00 A.M. 3rd August 2017.
3. The Register of Members and the Share Transfer books of the Company will remain closed from Monday, 31st July, 2017 to Saturday, 5th August, 2017 (both days inclusive).
4. Members holding shares in Physical Form are requested to notify promptly any change in their address to the Registrar and Share Transfer Agent of the Company, M/s. Cameo Corporate Services Limited, Chennai - 600002 by quoting their Membership Number, besides changes, if any, in dividend mandates given by them. Members holding shares in Electronic Form may communicate the above information to their respective Depository Participants.
5. Members holding shares in Demat form are requested to bring in their DP ID Number (Client ID Number) for ease of identification and recording of attendance at the meeting.
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed hereto:

7. Voting facilities

a) Remote e-Voting

Pursuant to Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management & Administration) Rules 2014 and amendment thereto the company provides facility for its members to exercise their voting right by electronic means.

b) Voting at AGM

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

c) Voting option

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

d) Voting instructions

Process and manner of voting instructions are given below:-

(A) Remote e-Voting

Remote e-Voting facility

1. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and amendment thereto the company is pleased to provide to its members the facility to exercise their right to vote at the 56th Annual General Meeting (AGM) on resolutions proposed to be considered thereat by electronic means. For this purpose, "remote e-Voting" (hereinafter mentioned 'e-Voting') facility is offered whereby a member can cast his vote using an electronic system from a place of his choice other than the venue of AGM.

NOTICE TO THE SHAREHOLDERS

2. The e-Voting facility is offered through e-Voting services provided by Central Depository Services (India) Limited (CDSL).
3. E-Voting commences on Wednesday, the 2nd August 2017 (09.00 AM) and ends on Friday, the 4th August 2017 (5.00 PM). The e-Voting portal will be blocked by CDSL for voting thereafter.

Manner of e-Voting

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

USER ID

For Members holding shares in Demat Form

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

For CDSL : 16 digits beneficiary ID

For Members holding shares in Physical Form

Folio Number registered with the Company.

PAN*

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

DOB#

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

DIVIDEND BANK DETAILS#

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

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name in block letters and the sequence number (8 digits) printed in the address slip in the PAN field. Eg. if your name is Ramesh Kumar and sequence number 00001234 then enter RA00001234 in the PAN field.

Please enter any one of the details in order to login.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Members holding shares in physical form will then reach directly to the voting screen. However, members holding

NOTICE TO THE SHAREHOLDERS

shares in demat form will now reach 'Password Change' menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@ # \$ %& *). Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform.

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

- (viii) Select EVSN (Electronic Voting Sequence Number) **170703005** of High Energy Batteries (India) Limited.
 - (ix) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - (x) Click on the "Resolutions File Link" if you wish to view the entire Resolutions.
 - (xi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
 - (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
5. In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the company/ depository participant(s) or requesting physical copy]:

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

- 6. E-voting cannot be exercised by a proxy. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves, link their account which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution in PDF format in the system for the scrutinizer to verify the vote.
- 7. During the voting period, security holders can login any number of times till they have voted on all the resolutions. They can also decide to vote only on some of the resolutions.

HELP CENTRE

- 8. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or send an email to helpdesk.evoting@cdslindia.com.
- 9. Person responsible to address the grievances connected with the facility for e-Voting:
Name : Mr Rakesh Dalvi
Designation : Deputy Manager
Address : Central Depository Services (India) Limited
PJ Towers, 16th Floor
Dalal Street, Fort,
Mumbai 400001.
Phone No. : 18002005533

(B) VOTING AT AGM

- 1. The company also offers the facility for voting through polling paper at the meeting. The members as on the cut-off

NOTICE TO THE SHAREHOLDERS

- date attending the AGM are entitled to exercise their voting right at the meeting in case they have not already cast their vote by e-Voting.
2. Members who have cast their vote by e-Voting are also entitled to attend the AGM but they cannot cast their vote at the AGM.
 3. The Chairman will fix the time for voting at the meeting. Shareholders present in person or by proxy can vote at the meeting.
- (C) General Instructions**
1. The cut-off date for the purpose of e-voting has been fixed as Saturday, the 29th July 2017. Members holding shares as on this date cut-off date should endeavour to cast their vote in any one of the two modes.
 2. In case of persons who have acquired shares and become members of the company after the despatch of AGM Notice, the company would be despatching the 56th Annual Report for 2016-17 to them as and when they become members. In addition, the Annual Report is available on the company website. They may follow the same procedure for voting.
 3. Voting rights of shareholders shall be in proportion to their shareholding in the company as on the cut-off date of 29th July 2017.
 4. In case a shareholder by inadvertence or otherwise has voted under more than one option, his voting by only one mode through remote e-voting, or voting at the meeting will be considered in that seriatim.
5. Mr. A.S. Kalyanaraman, Practising Chartered Accountant (Membership No. 201149) has been appointed as the Scrutinizer.
 6. The Scrutinizer will after the conclusion of voting at the AGM:
 - (i) First count the votes cast at the meeting through polling paper.
 - (ii) Then unblock the votes cast through e-Voting.
 - (iii) All the above will be done in the presence of two witnesses not in the employment of the company.
 - (iv) Make a consolidated Scrutinizer's report (integrating the votes cast at the meeting and through e-Voting) of the total votes cast in favour or against, if any, to the Chairman.
 - (v) The Scrutinizer's report as above would be made soon after the conclusion of AGM and in any event not later than three days from the conclusion of the meeting.
- 7. Voting Results**
- (i) The Chairman or a person authorized by him in writing shall declare the result of the voting based on the Scrutinizer's report.
 - (ii) The results declared along with the scrutinizer's report will be placed on the company's website www.high_energy.co.in and on the website of CDSL www.evotingindia.com immediately after the result is declared and also communicated to BSE.
 - (iii) Subject to receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of AGM.

EXPLANATORY STATEMENT

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

ITEM NO.4

**Reappointment of Dr G A Pathanjali, as
Managing Director**

The Current term of Dr G A Pathanjali as Managing Director expired on 31.03.2017. The Board of Directors at their meeting held on 25th March, 2017 have re-appointed Dr G A Pathanjali as Managing Director of the Company for a further period of three years from 1st April 2017 to 31st March 2020 and approved the remuneration package on the recommendation of the Nomination-cum-Remuneration Committee, subject to the approval of members.

Dr. G. A. Pathanjali, aged 57 is a Chemical Engineer from Annamalai University and did his M Tech (Chemical Engineering) from Indian Institute of Technology (IIT), Kanpur. Dr. G. A. Pathanjali received his Doctorate (Ph. D) in the year 1995 from IIT, Mumbai for his successful Thesis "Studies on the Electro Chemical Oxidation of Methanol and Development of Direct Feed Methanol-Air-Fuel Cell". He was inducted in the R&D Wing of our Company in 1983. He completed his first assignment successfully in establishing the Nickel Cadmium process.

He guided number of design cum development activities involving Silver Chloride Magnesium, Silver Oxide Zinc, Nickel Cadmium, Cuprous Chloride and Fuel Cells, for Defence, Rail Road and Industrial applications.

As the Company led by Dr G A Pathanjali is on the road to recovery, the services of Dr G A Pathanjali is required to steer the company further.

Dr. G. A. Pathanjali holds 100 (0.01%) shares in the Company. He is neither a director nor a member in any other company registered in India.

The terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

Dr G A Pathanjali is not related to any Director of the Company. None of the other Directors, Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested, financially or otherwise in the resolution set out at item No.4

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

S.V. RAJU
Secretary

Chennai
May 29, 2017

Statement containing required information as per Part II of Section II of Schedule V to the Companies Act, 2013

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*

(₹ in lakhs)

Particulars	2016-17	2015-16	2014-15
Net Sales	4683.17	2235.54	3228.30
Profit/ (Loss) before Finance Cost, Depreciation & Tax	709.30	390.06	341.33
Profit/ (Loss) Before Tax	46.70	(1060.15)	(429.27)
Profit/ (Loss) After Tax	33.93	(687.98)	(281.14)
Dividend (%)	Nil*	Nil	Nil

*Recommended by Board

(5) *Foreign investments or collaborators, if any*

Nil

II. INFORMATION ABOUT THE APPOINTEE

(1) *Background details*

Dr G A Pathanjali is a Chemical Engineer from Annamalai University and did his Post Graduation M.Tech (Chemical

Engineering) from Indian Institute of Technology (IIT), Kanpur.

(2) *Past Remuneration*

(₹ in lakhs)

Particulars	2016 - 17	2015 - 16	2014 - 15
Salary & Allowances	16.32	16.32	16.32
Perquisites	2.64	2.64	2.64
Commission	7.20	7.20	7.20
Other Retirement benefits	3.92	3.93	3.89
Total	30.08	30.09	30.05

(3) *Recognition or awards*

When HEB R&D was recognized by IIT, Mumbai for pursuing PhD, through external registration, Dr G A Pathanjali was the first candidate to register as a scholar in the field of electrochemistry from High Energy Batteries (India) Ltd. He has successfully completed his thesis under the caption of "Studies on the Electrochemical Oxidation of Methanol and Development of a Direct feed Methanol-Air Fuel Cell". His thesis was accepted and he was awarded Doctorate in the year 1995. He has published several papers in reputed Indian and International journals of electrochemistry. He has guided number of candidates to carryout research successfully.

(4) *Job profile and his suitability.*

Dr. G A Pathanjali was inducted in the R&D Wing of our Company in 1983. He completed his first assignment successfully in establishing the Nickel Cadmium process.

He took over as Head (R&D) in 1996 and guided number of design cum development activities involving Silver Chloride Magnesium, Silver Oxide Zinc, Nickel Cadmium, Cuprous Chloride and

Fuel Cells, for Defence, Rail Road and Industrial applications.

He was promoted as Head (Operations) during 2002 and looked after Production, Maintenance, Procurement and R&D successfully. In recognition of his services, he was elevated as Executive Director on 30th May 2012.

The Board of Directors at their meeting held on 15th March 2014 appointed Dr G A Pathanjali as the Managing Director of the Company for period of 3 years from 1st April, 2014 by short closing his term of appointment as Executive Director.

He has demonstrated his leadership skills by ably managing the various operations in spite of the difficult times faced by the Company in terms of order position and financial stress.

(5) *Remuneration proposed*

As set out in the Resolution under Item No.4.

(6) *Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.*

Considering the profile of Dr. G A Pathanjali 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.*

Dr. G A Pathanjali holds 100 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) *Reason of loss or inadequate profits*

Delayed receipt of materials due to late realisation of sale proceeds coupled with lower turnover in the Lead Acid Battery division resulted in inadequate profits.

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

The Company has already sizeable orders on hand and expected to receive further orders during the current year. Development of missile batteries is successfully completed and production orders are expected. In the Export front the proposals are in the advanced stage of finalisation and materialise in the third and fourth Quarter of the year. In the Lead Acid Battery Division our efforts to reduce cost and increase production are bearing fruits. In the above the company will achieve the desired target.

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

In the Lead Acid Battery division steps are taken to maximise the volume of production and sales and hence reasonable profitability.

IV. DISCLOSURES

Remuneration details are disclosed in the Corporate Governance Report attached to Boards's Report as mandated.

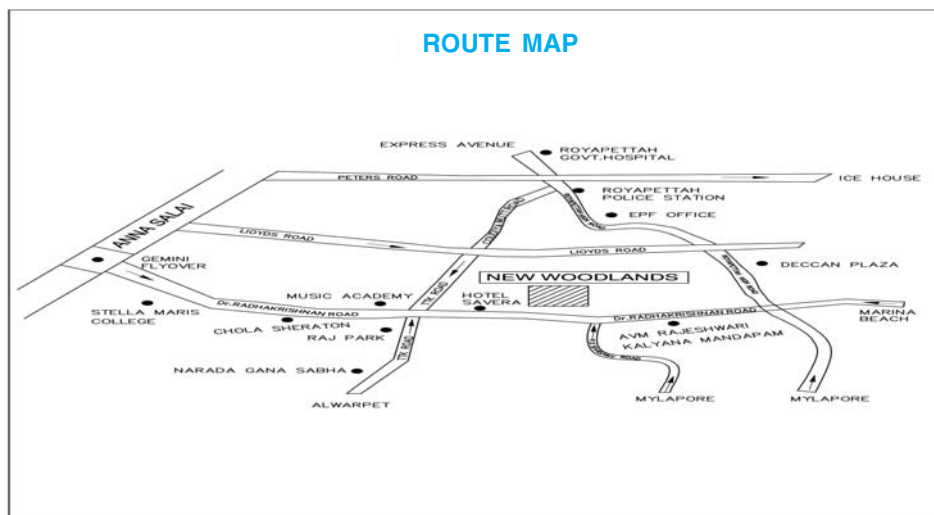
(By Order of the Board)
for HIGH ENERGY BATTERIES (INDIA) LIMITED

S.V. RAJU
Secretary

Chennai
May 29, 2017

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

Name of Director / Qualification / DIN	Date of Birth	Date of First appointment	Expertise in specific functional areas	Directorships in other companies	Committee/ Executive positions held in other companies	No. of shares held/ Relationship between Directors inter-se
Reappointment						
Mr. R. Vaidyanathan B.Sc., DIN : 00015156	13.02.1938	27.09.1961	Land lord Associate with Seshasayee Group of Companies for more than 5 decades.	Shiyali Taluk Welfare Association Pvt. Ltd.,	-	No. of shares held 2500 Relationship between Directors inter-se : NIL
Dr. G A Pathanjali B.E., M.Tech., Ph.D., DIN : 05297665	26.07.1959	30.05.2012	Varied experience in Management of Projects, R & D Operations and General Mangement in the Battery industry.	-	-	No. of shares held 100 Relationship between Directors inter-se : NIL



BOARD'S REPORT

Your Board hereby present their 56th Annual Report and the Audited Accounts for the year ended 31st March, 2017.

OPERATING RESULTS

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

Particulars	(₹ in Lakhs)			
	For the year Ended			
	2016 - 2017		2015 - 2016	
Sales (Net of Excise Duty and VAT / Sales Tax)	4683.17		2235.54	
Profit / (Loss) before Finance Cost, Depreciation and Tax	709.30		(390.06)	
Less:				
1. Finance Cost	530.59		547.86	
2. Depreciation	132.01	662.60	122.23	670.09
Profit / (Loss) Before Tax	46.70		(1060.15)	
Less:				
Provision for Taxation				
Deferred Tax	12.77		(403.85)	
Reversal of MAT Credit Entitlement			31.68	
NET PROFIT / (LOSS)	33.93		(687.98)	

During the year, the company's turnover was Rs. 4683.17 Lakhs as compared to the Turnover of Rs. 2235.54 Lakhs during the previous year. Flow of orders from the defence department enabled the company to plan ahead and achieve this turnover.

DIVIDEND

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

PERFORMANCE HIGHLIGHTS

SILVER ZINC BATTERIES

The company achieved a turnover of Rs . 4086.12 Lakhs during the year as against Rs. 1961.83 Lakhs during the previous year. The increase in turnover is due to receipt of major Navy orders during the year. Clearance for production by DRDO Laboratory for development orders also contributed to the enhancement in turnover

NICKEL CADMIUM BATTERIES

The company achieved the turnover of Rs.412.57 Lakhs against Rs.183.01 Lakhs during the previous year. Receipt of orders from Airforce and despatches of Industrial batteries resulted in higher turnover.

LEAD ACID BATTERIES (LAB)

During the year, the turnover of LAB division was Rs. 184.48 Lakhs as against Rs.90.70 Lakhs. The production achieved during the year was due to receipt of orders from the Private Labellers. Delay in collection of the receivables in the aftermarket segment continued to hamper flow of materials and consequently production. Production was kept on hold due to unremunerative prices even for private labeling.

EXPORT

Despite all efforts to secure orders from overseas, the company could achieve a turnover of Rs.80.40 Lakhs only towards export to our regular customers. Quite a number of proposals were submitted to our prospective customers and are in the advanced stage of finalisation.

CURRENT YEAR - 2017-18

The company has sizeable orders in hand for silver zinc division and it is expected to receive further orders during the course of the year. The company hopes to achieve substantial turnover in the current year and expects to

BOARD'S REPORT (Continued)

report reasonable profit. The company is also concentrating on cost reduction measures to achieve better results.

FINANCE

Poor liquidity position continued to affect the day to day operations. The bankers are considering our proposal of cash credit and they are in the advanced stage of finalization.

ISO SYSTEMS

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

RESEARCH AND DEVELOPMENT

The company has successfully completed the development of 330kW silver zinc battery for heavy weight torpedo application pertaining to Indian Navy future program. The company hopes to receive further orders in the near future. In the field of Missile batteries the company has completed number of development programmes and production is being taken up for supply of the batteries.

CORPORATE GOVERNANCE

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

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

EXTRACT OF ANNUAL RETURN

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) in the preparation of the annual accounts, the applicable Accounting standards have been followed.
- (b) the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period.
- (c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
- (d) the directors have prepared the annual accounts on a going concern basis.
- (e) the directors have laid down internal financial controls to be followed by the company and that said internal financial controls are adequate and were operating effectively.
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The company did not give any Loan or

BOARD'S REPORT (Continued)

Guarantee or provided any security or make investment covered under Section 186 of the Companies Act, 2013 during the year.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

Since the company does not meet any of the criteria / threshold limit as specified under Section 188(1) read with Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014, the reporting requirements thereunder are not applicable.

MATERIAL CHANGES AND COMMITMENTS

There is no change in the nature of business of the company during the year.

There are no material changes and commitments in the business operations of the company since the close of the financial year as on 31st March 2017 to the date of this report.

CONSERVATION OF ENERGY ETC.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Section 135 of the Companies Act, 2013 has imposed CSR mandate on companies having minimum threshold limit of net worth, turnover or net profit as prescribed. Since the company does not meet any of these criterion, it remains outside the purview of Section 135 and consequently the reporting requirements thereunder are not applicable.

PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in **Annexure -4**.

ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO FINANCIAL STATEMENTS

- 1) The company has laid down adequate systems and well drawn procedures for ensuring internal financial controls. It has appointed an external audit firm as internal auditors for periodically checking and monitoring the internal control measures.
- 2) Internal auditors are present at the Audit Committee meetings where internal audit reports are discussed alongside of management comments and the final observation of the internal auditor.
- 3) The Board of Directors have put in place budgetary control and monitoring measures for ensuring the orderly and efficient conduct of the business of the company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

DIRECTORS

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

The Current term of Dr G A Pathanjali as Managing Director expired on 31.03.2017. The Board of Directors at their meeting held on 25th March, 2017 have reappointed Dr G A Pathanjali as Managing Director of the Company for a further period of three years from 1st April 2017 to 31st March 2020.

Necessary resolution is placed before the Members for their approval.

BOARD'S REPORT (Continued)

Life Insurance Corporation of India (LIC) has withdrawn the Nomination of Mr Raj Kumar, as Nominee Director from the Board and subsequently Mr Raj Kumar has resigned from the Board with effect from 17.03.2017. The Board in its meeting held on 25.03.2017 accepted the withdrawal / resignation of Mr Raj Kumar.

Your Directors place on record the valuable services rendered by Mr.Rajkumar during his tenure as Director of the company.

Consequent to the above, Life Insurance Corporation of India (LIC) vide its letter dated 25.03.2017 nominated Mr Rajeev Chaturvedi, Executive Director (RTI) as Nominee Director on the Board of HEB in place of Mr Raj Kumar.

As per Section 161(3) of the Companies Act, 2013 and in accordance with Article 105(b) of the Articles of Association of the Company, the Board in its meeting held on 29.05.2017 inducted Mr Rajeev Chaturvedi as Nominee Director of LIC, not liable to retire by rotation.

All the Independent Directors have given the declaration that they comply with the criteria on independence, as laid down under Section 149(6) of the Companies Act, 2013. The performance evaluation of independent directors has been done by the entire Board of Directors, excluding the director being evaluated at its meeting held on 25th March 2017. The Board on the basis of such performance evaluation determined to continue the term of appointment of all the Independent Directors who have been appointed by the Company at its 53rd AGM for a fixed term of 5 years upto 31st March 2019.

AUDITORS

M/s. R Subramanian & Company LLP, Chartered Accountants , Chennai (Firm Registration No.004137S) shall cease to hold the office at the conclusion of this 56th Annual General Meeting having regard to the provisions of Section 139(2) of the Companies Act, 2013.

Your Board of Directors on the recommendation of Audit Committee has proposed the appointment of M/s. Maharaj N R Suresh and Company (Firm Reg. No. 001931S) as Statutory Auditors for a period of five years from the conclusion of this Annual General Meeting till the conclusion of the 61st Annual General Meeting. Necessary resolution is placed before the Members for their approval.

Particulars of Statutory Auditors, Internal auditors 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 **Annexure - 5**

ACKNOWLEDGEMENT

Your Directors wish to express their sincere thanks to

- (i) the Defence Services, DRDO Laboratories, ISRO and Ministry of Defence for the whole-hearted support and encouragement provided by them for indigenisation efforts on sophisticated high energy batteries;
- (ii) the Overseas customers, who have reposed utmost faith and confidence in our products;
- (iii) the Lead Acid Battery Customers, Dealers, Distributors and Institutional Indentors, like Postal and Railways.
- (iv) the Bankers, for extending timely financial support for the continued successful performance of the Company
- (v) the Employees at all levels of the company for their commendable performance and
- (vi) to all suppliers and shareholders for their continued support.

(For the Board of Directors)

N. GOPALARATNAM
Chairman

Chennai 600 034
May 29, 2017

ANNEXURE - 1 to BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

APPLICABILITY OF CODE OF CORPORATE GOVERNANCE

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

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

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

Board of Directors

The Board comprises of Non-Executive, Executive and Independent Directors. The Board consists of 8 Directors comprising of one Non-Executive Chairman, one Executive Director, one Non-Executive Director, and five Independent Directors as on 31st March 2017. No Director holds membership of more than 10 Committees of Board nor is Chairman of more than 5 such Committees. No Director is a relative of any other Director. The age of every Director, including Independent Director, is above 21 years.

Number of Board Meetings and Directors' Attendance Record

Name of Director	Date of Initial Appointment	Category	No. of Equity Shares held	Attendance at Board Meetings during 2016 - 2017		As on 31 st March 2017 (Including HEB)			Attendance at last AGM
				No. of Meetings	%	No. of Director-ships	Committee Position		
							As Chairman	As Member	
Mr. N. Gopalratnam	06-06-1991	Non- Executive Chairman, Promoter	10200	5	100	6	3	2	YES
Dr. G.A. Pathanjali	30-05-2012	Managing Director	100	5	100	1	-	1	YES
Mr. R. Vaidyanathan	27-09-1961	Promoter	2500	5	100	2	-	1	YES
Mr. Raj Kumar*	19-06-2013	Nominee of Life Insurance Corporation of India	Nil	4	80	1	-	2	YES
Mr. A.L. Somayaji	23-03- 2002	Independent	Nil	5	100	4	2	-	YES
Commodore R.P. Prem Kumar (Retd.)	08-06-2002	Independent	Nil	5	100	1	-	2	YES
Mr. M. Natarajan	30-09- 2014	Independent	Nil	4	80	2	-	-	NO
RAdm S. Mohapatra	30-09- 2014	Independent	Nil	3	60	-	-	-	YES
Mrs. Lalitha Lakshmanan	28-05-2016	Independent	Nil	5	100	2	-	1	YES

ANNEXURE - 1 to BOARD'S REPORT

*Life Insurance Corporation of India (LIC) has withdrawn the Nomination of Mr Raj Kumar, as Nominee Director from the Board and subsequently Mr Raj Kumar has resigned from the Board with effect from 17.03.2017. The Board in its meeting held on 25.03.2017 accepted the withdrawal / resignation of Mr Raj Kumar.

Board Meetings

During the year 2016-17, 5 Board Meetings were held on 28.05.2016, 30.07.2016, 05.11.2016, 04.02.2017 and 25.03.2017. The last Annual General Meeting was held on 30.07.2016.

Independent Directors Meeting

The Companies Act 2013 requires all the Independent Directors to meet atleast once in a year. The meeting must be convened without the presence of the non-independent directors and members of the management. The Independent Directors in their Meeting also evaluate the performance of the chairperson of the company and to review the performance of the non-independent directors and the Board as a whole of the company. These measures would immensely aid in ensuring the smooth and proper functioning of the Board of Directors of a company. The Independent Directors met one time during the financial year 2016-17, on 25th March 2017 and assessed the performance of the company and other directors and advised the Board accordingly.

Audit Committee Meeting

The Audit Committee was constituted on 30.05.2014 as required under Section 177(1) of the Companies Act, 2013. The Audit Committee comprises of three Independent Directors and one Nominee Director. The Chairman of the Committee is a non executive Independent Director. The Committee is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The Committee met 4 times

during the year on 28.05.2016, 30.07.2016, 05.11.2016 and 04.02.2017. Details of its composition and attendance are given hereunder:-

Name of Member	Status	Attendance at Meetings	
		No.	%
Mr. A.L. Somayaji	Chairman	4	100
Cmdr. R. P. Prem Kumar	Member	4	100
Mr. Raj Kumar	Member	4	100
Mrs. Lalitha Lakshmanan	Member	4	100

Stakeholders Relationship Committee

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

The Committee comprises of 3 Directors. The Chairman of the Committee is a non-executive Director. The Committee met 4 times during the previous year on 28.05.2016, 30.07.2016, 05.11.2016 and 04.02.2017. Details of its composition and attendance are given hereunder:-

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

ANNEXURE - 1 to BOARD'S REPORT

Nomination cum Remuneration Committee

The Nomination cum Remuneration Committee comprises of 3 Non-Executive Directors. The Nomination cum Remuneration Committee is vested with all the necessary powers and authority to ensure the criteria for

- a) appointment of Executive, Non-Executive and Independent Directors to the Board.
- b) qualifications, positive attributes and independence of Directors.
- c) identifying candidates who are qualified to become Directors and recommending to the Board their appointment and removal.
- d) reviewing and determining all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, etc.

The Committee met 2 times during the previous year on 28.05.2016 and 25.03.2017.

Details of its composition and attendance are given hereunder:-

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

Committee Minutes

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

Governance Process & Policies

- (i) Policy on Director's Appointment & Remuneration
The Board on the recommendations of the Nomination-cum-Remuneration

Committee meeting held on 26th March 2015 had approved a Nomination and Remuneration Policy. It inter alia deals with the manner of selection of Board of Directors and Managing Director and their remuneration. This policy is framed as per Section 178 (3) of the Companies Act, 2013.

1. Criteria for selection of Non-Executive Directors

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

2. Remuneration Policy

The remuneration policy aims at attracting and retaining suitable talent and devising a remuneration package commensurate with competition, size of the company,

ANNEXURE - 1 to BOARD'S REPORT

its nature of business and considered appropriate to the respective role and responsibilities.

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

3. Remuneration of Directors & Key Managerial Personnel

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

The Managing Director is the only executive director entitled for managerial remuneration. Dr. G.A. Pathanjali has been appointed as Managing Director for a tenure of three years from 01.04.2014 to 31.03.2017. Considering the losses currently suffered, the Managing Director was paid minimum remuneration in accordance with the approval granted by special resolution at the Annual General Meeting held on 21.07.2014. His remuneration for FY 2016-17 is disclosed under Note 32 of the Financial Statements. There is no service contract containing provisions of notice period or severance package.

Mr. S.V. Raju, Company Secretary and Mr R Swaminathan, Additional Chief Financial Officer are the Key Managerial Personnel (KMP).

No Director or their relatives holds an office or place of profit in the company. Other than direct or indirect equity holding and sitting fee, there is no pecuniary

relationship or transaction between the company and its non-executive directors. No stock option has been issued by the company to Executive Directors.

Remuneration of Directors

Non Executive Directors are paid sitting fee of Rs. 5000/- per meeting of Board and Committee Meetings. The details of remuneration paid to Non-Executive Directors during the year by way of sitting fee for attending the Board / Committee Meetings are as under:-

Directors	Amount in ₹		Total
	Board Meeting	Committee Meeting*	
Mr. N. Gopalaratnam	25000	20000	45000
Mr. R. Vaidyanathan	25000	20000	45000
Mr. A. L. Somayaji	25000	30000	55000
Mr. R. P. Prem Kumar	25000	30000	55000
Mr. M. Natarajan	20000	-	20000
Mr. S. Mohapatra	15000	-	15000
Mrs. Lalitha Lakshmanan	25000	20000	45000
Mr. Raj Kumar Nominee of LIC	20000	25000	45000
TOTAL	180000	145000	325000

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

(ii) Performance Evaluation

The Board of Directors in March 2015 on the recommendations of the Nomination-cum-Remuneration Committee approved the Board evaluation framework. In order to improve the evaluation process, SEBI vide its circular dated 05.01.2017 elaborated various aspects of Board evaluation. Hence, the Board of Directors in its meeting held on 25.03.2017 carried out the evaluation process on the recommendation of Nomination-cum-

ANNEXURE - 1 to BOARD'S REPORT

Remuneration Committee. It has laid down specific criteria for performance evaluation covering -

- ◆ Subject of Evaluation
- ◆ Evaluation of Board process
- ◆ Frequency of Board Evaluation
- ◆ Responsibility of Board Evaluation
- ◆ Review of Board Evaluation
- ◆ Evaluation of Committees
- ◆ Individual evaluation of Board members & the Chairperson
- ◆ Individual evaluation of Independent Directors

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

The Independent Directors in their exclusive meeting on 25.03.2017 did the evaluation on the performance of Chairperson, non-independent directors and the Board as a whole. They have expressed overall satisfaction on such evaluation. All directors (except RAdm S Mohapatra, Director) were present at this meeting.

The Board at its meeting held on 25.03.2017, evaluated the performance of each of the 3 Committees and also the functioning of each of the Independent Directors (excluding the Independent Director being evaluated). The Board has recorded its overall satisfaction and decided in terms of Para VIII(2) of Schedule IV to the Companies Act, 2013 that Independent Directors be continued in their respective offices.

(iii) Code of Conduct

The Board has formulated a Code of Conduct for Directors and Senior Management Personnel of the Company which is posted on its website. It is hereby affirmed that all the Directors and Senior Management Personnel have complied with the Code and a confirmation to this effect has been obtained from them individually for FY 2016-17.

Further, the Senior Management Personnel have declared to the Board that no material, financial or commercial transactions were entered into by them during FY 2016-17 where they have personal interest that may have a potential conflict with the interest of the company at large.

(iv) Risk Management

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

The company has laid down appropriate procedures to inform the Board about the risk assessment and minimization procedures. The Board periodically revisits and reviews the overall risk management plan for making desired changes in response to the dynamics of the business. The company is not currently required to constitute a Risk Management Committee as it is applicable to top 100 listed entities, determined on the basis of market capitalization, as at the end of the

ANNEXURE - 1 to BOARD'S REPORT

immediate previous financial year according to Regulation 21 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.

(v) Whistle Blower Policy

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

No complaint under this facility was received in FY 2016-17.

(vi) Policy for Prevention of Sexual Harassment at Workplace

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

This Policy has been uploaded on the Company's website.

No complaint on sexual harassment was received during FY 2016-17.

(vii) Document Preservation

Pursuant to Regulation 9 of the Listing Regulations, the company has framed a policy for preservation of records. This Policy covers all corporate records of the company whether in paper or digital form and applies to all departments and business functions of the company. This Policy has been uploaded on the Company's website.

Other Compliances

Quarterly Financial Results

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Quarterly Financial Results are approved by the Board on the recommendations of the Audit Committee. These are communicated to BSE after the conclusion of the Board Meeting and the abstract of the results are published in leading dailies, as required, within the stipulated time. These are also immediately posted on the company's website.

Accounting Treatment

In the preparation of Financial Statements, no accounting treatment different from that prescribed in any Accounting Standard has been followed.

Cost Audit

Since the Company does not come under the threshold limit as specified under Companies (Cost Records and Audit) Rules 2014, Cost Audit is not necessary.

Secretarial Standards & Secretarial Audit

Pursuant to Section 118 (10) of the Companies Act, 2013 every company shall observe secretarial standards with respect to general and Board meetings specified by the Institute of Company Secretaries of India. The company's practices and procedures mostly meet with all these prescriptions and residual requirements will be taken care of.

Pursuant to Section 204(1) of the companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company has appointed Mr. B Kalyanasundaram, Practicing Company Secretary (Membership No. A672, C.P.No.2209) to undertake the secretarial audit of the company for FY 2016-17. The secretarial audit report was placed before the Board on 29th May 2017.

ANNEXURE - 1 to BOARD'S REPORT

There are no qualifications in the secretarial audit report.

Internal Auditor

Pursuant to Section 138(1) of the Companies Act, 2013 the company has appointed M/s. Maharaj N R Suresh and Company, Chartered Accountants (Firm Reg.No.001931S), Chennai to conduct internal audit of the functions and activities of the company for FY 2016-17. The Internal Auditor reports directly to the Audit Committee.

CEO / CFO certification

CEO certification by Dr G A Pathanjali, Managing Director and CFO certification by Mr R Swaminathan, Additional Chief Financial Officer as required under Regulation 17(8) of the Listing Regulations were placed before the Board at its meeting held on 29th May 2017.

Review of Directors' Responsibility Statement

The Board in its Report has confirmed that the annual accounts for the year ended 31st March 2017 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

Subsidiary Companies

The Company has no subsidiary.

Deposits

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

Disclosures

- (i) No strictures / penalties have been imposed on the company by the Stock Exchanges or SEBI or any statutory authority on any matters related to the capital market during the last 3 years.
- (ii) No significant and material orders were passed by the Regulators, Courts or

Tribunals impacting the going concern status and the company's operations in future.

MEANS OF COMMUNICATION

Audited/Unaudited Financial Results

Period	Date of Approval by Board	Date of Publication	Newspaper
Quarter ended * 30 th June, 2016	30.07.2016	01.08.2016	Business Standard and Makkal Kural
Quarter ended * 30 th September, 2016	05.11.2016	07.11.2016	Business Standard and Makkal Kural
Quarter ended * 31 st December, 2016	04.02.2017	06.02.2017	Business Standard and Makkal Kural
Year ended ** 31 st March, 2017	29.05.2017	30.05.2017	Business Standard and Makkal Kural

** Audited

* Unaudited

The Company will continue to publish extract of quarterly/half yearly financial results in the newspapers as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Full format of the Financial Results is available on the Stock Exchange Website (www.bseindia.com) and the Company's Website www.highenergy.co.in upon approval by the Board of Directors.

Others

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

The Company operates in;

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

Segment-wise reporting is being done.

ANNEXURE - 1 to BOARD'S REPORT

General Shareholder Information

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

Compliance Certificate of the Auditors

Not Applicable

Shareholder Information

AGM Details

Date and Time	Saturday, the 5 th August, 2017, 11.00 A.M.
Venue	New Woodlands Hotel Pvt. Ltd., No.72-75, Dr. Radhakrishnan Road, Mylapore, Chennai - 600 004.
Book Closure	Monday, the 31 st July, 2017 to Saturday, the 5 th August, 2017 (Both days inclusive)
Cut-off date for e-voting	Saturday, the 29 th July, 2017

Listing

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

The Listing Fee for the financial year 2017-18 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 2017 are furnished hereunder:

Mode of holding	Shareholders		Equity Shares	
	No.	%	No.	%
Physical	350	16.23	63728	3.55
Demat	1807	83.77	1729040	96.45
Total	2157	100.00	1792768	100.00

Registrar and Share Transfer Agent

For Physical and Demat Forms:

Cameo Corporate Services Ltd.

"Subramanian Building", 5th Floor

1, Club House Road, Chennai 600 002

Phone : 044-28460390(5 Lines)

Fax : 044-28460129

E-mail : investor@cameoindia.com

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

Nomination facility

Shareholders holding shares in physical form and desirous of making a nomination in terms of Section 72 of the Companies Act, 2013 are requested to submit to the Registrar and Transfer Agent in the Form No.SH.13 prescribed under Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 which can be had on request or downloaded from Company / MCA website. In the case of Demat holding, shareholders shall submit the same to their Depository Participants.

Investor Correspondence

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

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

ANNEXURE - 1 to BOARD'S REPORT

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

ESVIN House,
13, Old Mahabalipuram Road
Perungudi, Chennai 600 096
Phone: 044 - 24960335 / 39279318
Fax: 044- 24961785
Email: investor@highenergyltd.com
Website:www.highenergy.co.in

Compliance Officer

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

Transfer System

Powers are delegated to the Managing Director and Secretary to deal with regular transactions in securities of small investors, while other cases are decided by the Stakeholders Relationship Committee. Investor requests are attended to within 7-15 days from the date of receipt. There were no shares pending for transfer as on 31st March 2017.

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

Share Quotes

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

Month	High	Low	Volume
	₹ P.	₹ P.	No. of Shares
April 2016	178.90	135.70	8105
May 2016	154.00	120.20	11753
June 2016	171.80	143.30	15286
July 2016	212.85	158.05	21210
August 2016	245.90	180.00	144917
September 2016	255.00	212.00	33040
October 2016	334.50	210.00	70011
November 2016	300.00	171.00	29012
December 2016	236.50	198.10	2574
January 2017	239.90	192.35	6513
February 2017	254.10	213.00	25104
March 2017	255.95	204.95	8549
	Total		376074

Shareholder Complaints

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

Particulars of complaints received during 2016-17;

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

ANNEXURE - 1 to BOARD'S REPORT

SCORES

SEBI vide Circular dated 3rd June 2011, has advised all listed companies about processing of Investor complaints in a centralized web based complaint system called "SEBI Complaints Redressal System" (SCORES). All complaints received from shareholders of listed companies are posted in this system. Listed companies are advised to view the complaint and submit Action Taken Report (ATR) with supporting documents in SCORES. For the year ended 31st March 2017, no complaints were received and hence not posted in this system against our Company.

Distribution of Shareholding as on 31.03.2017

Slab	No. Shareholders		No. of Equity Shares	
	Total	%	Total	%
1-1000	1544	71.58	448220	2.50
1001-5000	390	18.08	1022790	5.71
5001-10000	102	4.73	806920	4.50
10001-20000	47	2.18	729900	4.07
20001-30000	18	0.83	453610	2.53
30001-40000	12	0.56	411340	2.29
40001-50000	6	0.28	277010	1.55
50001-100000	16	0.74	1174420	6.55
Above -100000	22	1.02	12603470	70.30
Total	2157	100.00	17927680	100.00

Shareholding Pattern

Category	No. of Shareholders	%	No. of Equity Shares	%
Promoters	11	0.51	734527	40.97
Fis and Banks	2	0.09	239100	13.34
Other Corporate Bodies	56	2.60	41017	2.28
Clearing Members	2	0.09	130	0.01
Hindu Undivided Families	82	3.80	35119	1.96
NRI - Non-Promoter	11	0.51	13254	0.74
Trust	1	0.05	200	0.01
Public	1992	92.35	729421	40.69
Total	2157	100.00	1792768	100.00

Note : Out of above, Non Resident Indians/ Overseas Corporate Bodies hold 93254 shares constituting 5.20%.

Plant Location:

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

No. of Employees : 122

ANNEXURE - 1 to BOARD'S REPORT

Particulars of past 3 AGMs

AGM	Year	Venue	Date	Time
53 nd	2013-2014	New Woodlands Hotel Pvt. Ltd., 72-75, Dr. Radhakrishnan Road, Mylapore, Chennai 600 004	21.07.2014	11.00 AM
54 th	2014-2015	New Woodlands Hotel Pvt. Ltd., 72-75, Dr. Radhakrishnan Road, Mylapore, Chennai 600 004	25.07.2015	11.00 AM
55 th	2015-2016	New Woodlands Hotel Pvt. Ltd., 72-75, Dr. Radhakrishnan Road, Mylapore, Chennai 600 004	30.07.2016	11.00 AM

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

POSTAL BALLOT

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

Unclaimed Dividends

Under the Companies Act 1956, dividends that are unclaimed for a period of seven years get transferred to the "Investor Education and Protection Fund" 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. Remainders were sent to shareholders, who have not yet encashed the Dividend, to claim the same from the Company well before the due date of transfer to IEPF.

Financial Year	Date of Declaration	Due date for Transfer	Unclaimed Amount (₹ lakhs)
2009-2010	--	--	--
2010-2011	--	--	--
2011-2012	--	--	--
2012-2013	25.07.2013	25.08.2020	0.45
2013-2014	--	--	--
2014-2015	--	--	--
2015-2016	--	--	--
Total			0.45

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	30.06.2016	15.07.2016
		30.09.2016	12.10.2016
		31.12.2016	27.01.2016
		31.03.2017	12.04.2017

(For the Board of Directors)

N. GOPALARATNAM
Chairman

Chennai 600 034
May 29, 2017

ANNEXURE - 2 to BOARD'S REPORT

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2017

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

1. Registration and other details

i)	CIN	L36999TN1961PLC004606
ii)	Registration Date	27.09.1961
iii)	Name of the Company	HIGH ENERGY BATTERIES (INDIA) LIMITED
iv)	Category / Sub-Category of the Company	Public Limited Company held by shares
v)	Address of the Registered Office and contact details	ESVIN House, Perungudi Chennai - 600 096, Tamil Nadu Phone : +91-44-24960335 / 39279318 Fax : +91-44-24961785 Email : hebcnn@md4.vsnl.net.in Web : www.highenergy.co.in
vi)	Whether Listed Company	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Cameo Corporate Services Limited "Subramanian Building", 5th Floor, No.1, Club House Road, Chennai - 600 002. Phone : +91-44-28460390 Fax : +91-44-28460129 Email : investor@cameoindia.com Web : www.cameoindia.com

II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl No	Name and Description of Main Products / Services	NIC Code of the Product/Service	% to total turnover of the Company
1	Aerospace, Naval and Power System Batteries Silver Zinc, Silver Chloride Magnesium and Nickel Cadmium Batteries	27201	96.06
2	Lead Acid Storage Batteries	27201	3.94

III. Particulars of Holding, Subsidiary and Associate of Companies

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

ANNEXURE - 2 to BOARD'S REPORT

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

i) Category - wise Shareholding

Sl.No	Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016			No. of Shares held at the end of the year 31.03.2017			% Change during the year
		Demat	Physical	Total	Demat	Physical	Total	
A.	Promoters							
1)	Indian	14932	-	14932	14932	-	14932	0.83
a)	Individual/HUF	-	-	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-
d)	Bodies Corp.	639595	-	639595	639595	-	639595	35.68
e)	Banks / FI	-	-	-	-	-	-	-
f)	Any other	-	-	-	-	-	-	-
	Sub-Total(A)(1)	654527	-	654527	654527	-	654527	36.51
2)	Foreign							
a)	NRIs -	-	-	-	-	-	-	-
	Individuals	-	-	-	-	-	-	-
b)	Other -	-	-	-	-	-	-	-
	Individuals	-	-	-	-	-	-	-
c)	Bodies Corp.	80000	-	80000	80000	-	80000	4.46
d)	Banks / FI	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-
	Sub-Total (A)(2)	80000	-	80000	80000	-	80000	4.46
	Total shareholding of Promoters (A) = A)(1)+A)(2)	734527	-	734527	734527	-	734527	40.97
								0.00

ANNEXURE - 2 to BOARD'S REPORT

Sl.No	Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B.	Public Shareholding									
1)	Institutions									
a)	Mutual funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	239100	-	239100	13.34	239100	-	239100	13.34	0.00
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt (s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIs	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i)	Any other	-	-	-	-	-	-	-	-	-
	Foreign Portfolio Investors (Corporate) II	-	-	-	-	-	-	-	-	-
	Foreign Portfolio Investors (Corporate) III	-	-	-	-	-	-	-	-	-
	Sub-Total(B)(1)	239100	-	239100	13.34	239100	-	239100	13.34	0.00
2)	Non Institutions									
a)	Bodies Corporate	99134	691	99825	5.57	40326	691	41017	2.29	-3.28
b)	Individuals									
i)	Individual Shareholders holding nominal shares capital up to Rs. 1 lakh	368405	64230	432635	24.13	398229	62837	461066	25.72	1.59
ii)	Individual shareholders holding nominal shares capital in excess of Rs.1 lakh	266043	-	266043	14.84	268355	-	268355	14.97	0.13

ANNEXURE - 2 to BOARD'S REPORT

Sl.No	Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c)	Others (Specify)									
	Non - Resident Indian	757	200	957	0.05	13054	200	13254	0.74	0.69
	Hindu undivided Family	18466	-	18466	1.03	35119	-	35119	1.96	0.93
	Clearing Members	1015	-	1015	0.06	130	-	130	0.01	0.05
	Trust	200	-	200	0.01	200	-	200	0.01	0.00
	Sub-Total(B)(2)	754020	65121	819141	45.69	755413	63728	819141	45.69	0.00
	Total Public Shareholding (B) = (B) (1) + (B) (2)	993120	65121	1058241	59.03	994513	63728	1058241	59.03	0.00
C)	Shares held by Custodian for GDRs and ADRs	-	-	-	-	-	-	-	-	-
	GRAND -TOTAL (A) + (B) + (C)	1727647	65121	1792768	100	1729040	63728	1792768	100	0.00

ANNEXURE - 2 to BOARD'S REPORT

ii) Shareholding of Promoters

Sl.No	Shareholder's Name	Shareholding at the beginning of the year 01.04.2016			Shareholding at the end of the year 31.03.2017			% Change in share holding during the year
		No.of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1.	Seshasayee Paper and Boards Limited	282911	15.7806	-	282911	15.7806	-	0.00
2.	Time Square Investments (P) Limited	165463	9.2294	-	165463	9.2294	-	0.00
3.	Ponni Sugars (Erode) Limited	100000	5.5779	-	100000	5.5779	-	0.00
4.	Synergy Investments Pte Limited	80000	4.4623	-	80000	4.4623	-	0.00
5.	Ultra Investments and Leasing Company Pvt. Ltd	70200	3.9157	-	70200	3.9157	-	0.00
6.	Dhanashree Investments Private Limited	21021	1.1725	-	21021	1.1725	-	0.00
7.	N. Gopalaratnam	10200	0.5689	-	10200	0.5689	-	0.00
8.	R. Vaidyanathan	2500	0.1394	-	2500	0.1394	-	0.00
9.	S. Sridharan	1932	0.1077	-	1932	0.1077	-	0.00
10.	D. Jayaraman	200	0.0111	-	200	0.0111	-	0.00
11.	G. A. Pathanjali	100	0.0055	-	100	0.0055	-	0.00

ANNEXURE - 2 to BOARD'S REPORT

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

Sl No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding during the year 31.03.2017	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Seshasayee Paper and Boards Limited				
	At the beginning of the year 01-Apr-2016	282911	15.7806	282911	15.7806
	At the end of the year 31-Mar-2017	282911	15.7806	282911	15.7806
2	TIME SQUARE INVESTMENTS (P) LTD				
	At the beginning of the year 01-Apr-2016	165463	9.2294	165463	9.2294
	At the end of the year 31-Mar-2017	165463	9.2294	165463	9.2294
3	PONNI SUGARS (ERODE) LIMITED				
	At the beginning of the year 01-Apr-2016	100000	5.5779	100000	5.5779
	At the end of the year 31-Mar-2017	100000	5.5779	100000	5.5779
4	SYNERGY INVESTMENTS PTE LTD				
	At the beginning of the year 01-Apr-2016	80000	4.4623	80000	4.4623
	At the end of the year 31-Mar-2017	80000	4.4623	80000	4.4623
5	ULTRA INVESTMENTS AND LEASING COMPANY PRIVATE LTD				
	At the beginning of the year 01-Apr-2016	70200	3.9157	70200	3.9157
	At the end of the year 31-Mar-2017	70200	3.9157	70200	3.9157
6	Dhanashree Investments Pvt. Ltd.				
	At the beginning of the year 01-Apr-2016	21021	1.1725	21021	1.1725
	At the end of the year 31-Mar-2017	21021	1.1725	21021	1.1725
7	N GOPALARATNAM				
	At the beginning of the year 01-Apr-2016	10200	0.5689	10200	0.5689
	At the end of the year 31-Mar-2017	10200	0.5689	10200	0.5689
8	R VAIDYANATHAN				
	At the beginning of the year 01-Apr-2016	2500	0.1394	2500	0.1394
	At the end of the year 31-Mar-2017	2500	0.1394	2500	0.1394
9	S SRIDHARAN - JT1 : GOMATHI S				
	At the beginning of the year 01-Apr-2016	1932	0.1077	1932	0.1077
	At the end of the year 31-Mar-2017	1932	0.1077	1932	0.1077
10	D JAYARAMAN				
	At the beginning of the year 01-Apr-2016	200	0.0111	200	0.0111
	At the end of the year 31-Mar-2017	200	0.0111	200	0.0111
11	G A PATHANJALI				
	At the beginning of the year 01-Apr-2016	100	0.0055	100	0.0055
	At the end of the year 31-Mar-2017	100	0.0055	100	0.0055

ANNEXURE - 2 to BOARD'S REPORT

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

Sl No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding during the year 31.03.2017	
		No.of Shares	% of total shares of the company	No.of Shares	% of total shares of the company
1	Life Insurance Corporation of India				
	At the beginning of the year 01-Apr-2016	239000	13.3313	239000	13.3313
	At the end of the year 31-Mar-2017	239000	13.3313	239000	13.3313
2	Balram Bharwani JT1 : Poonam Bharwani				
	At the beginning of the year 01-Apr-2016	53200	2.9674	53200	2.9674
	Purchase 15-Apr-2016	401	0.0223	53601	2.9898
	Purchase 22-Apr-2016	1349	0.0752	54950	3.0650
	Purchase 29-Apr-2016	1390	0.0775	56340	3.1426
	Purchase 06-May-2016	2671	0.1489	59011	3.2916
	Purchase 13-May-2016	74	0.0041	59085	3.2957
	Purchase 20-May-2016	415	0.0231	59500	3.3188
	Purchase 27-May-2016	150	0.0083	59650	3.3272
	Sale 03-Jun-2016	-639	0.0356	59011	3.2916
	Sale 22-July-2016	-800	0.0446	58211	3.2469
	Sale 29-July-2016	-200	0.0111	58011	3.2358
	Sale 05-Aug-2016	-2961	0.1651	55050	3.0706
	Sale 12-Aug-2016	-48	0.0026	55002	3.0679
	Sale 19-Aug-2016	-902	0.0503	54100	3.0176
	Sale 26-Aug-2016	-100	0.0055	54000	3.0121
	Sale 02-Sep-2016	-997	0.0556	53003	2.9564
	Sale 09-Sep-2016	-3303	0.1842	49700	2.7722
	Sale 23-Sep-2016	-500	0.0278	49200	2.7443
	Sale 30-Sep-2016	-950	0.0529	48250	2.6913
	Sale 14-Oct-2016	-450	0.0251	47800	2.6662
	Sale 21-Oct-2016	-1800	0.1004	46000	2.5658
	Sale 25-Nov-2016	-99	0.0055	45901	2.5603
	Sale 02-Dec-2016	-346	0.0192	45555	2.5410
	Sale 30-Dec-2016	-160	0.0089	45395	2.5321
	Sale 20-Jan-2017	-44	0.0024	45351	2.5296
	Sale 27-Jan-2017	-151	0.0084	45200	2.5212
Sale 03-Feb-2017	-50	0.0027	45150	2.5184	
Sale 10-Feb-2017	-350	0.0195	44800	2.4189	

ANNEXURE - 2 to BOARD'S REPORT

Sl No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding during the year 31.03.2017	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Sale 17-Feb-2017 Sale 10-Mar-2017 At the end of the year 31-Mar-2017	-584 -216 44000	0.0325 0.0120 2.4543	44216 44000 44000	2.4663 2.4543 2.4543
3	C Srikanth At the beginning of the year 01-Apr-2016 At the end of the year 31-Mar-2017	 49754 49754	 2.7752 2.7752	 49754 49754	 2.7752 2.7752
4	Sathyamoorthi Devarajulu At the beginning of the year 01-Apr-2016 Sale 21-Oct-2016 At the end of the year 31-Mar-2017	 31332 -1332 30000	 1.7476 0.0742 1.6733	 31332 30000 30000	 1.7476 1.6733 1.6733
5	Ruchit Bharat Patel JT1 : Hardik Bharat Patel At the beginning of the year 01-Apr-2016 Purchase 03-Jun-2016 Purchase 10-Jun-2016 Purchase 17-Jun-2016 Purchase 23-Sep-2016 At the end of the year 31-Mar-2017	 29048 100 26 536 271 29981	 1.6202 0.0055 0.0014 0.0298 0.0151 1.6723	 29048 29148 29174 29710 29981 29981	 1.6202 1.6258 1.6273 1.6572 1.6723 1.6723
6	Far and Wide Marketing Pvt. Limited At the beginning of the year 01-Apr-2016 Sale 19-Aug-2016 Sale 26-Aug-2016 At the end of the year 31-Mar-2017	 25000 -17842 -7158 0	 1.3944 0.9952 0.3992 0.0000	 25000 7158 0 0	 1.3944 0.3992 0.0000 0.0000
7	Kwality Alutrade Private Limited At the beginning of the year 01-Apr-2016 Sale 29-Jul-2016 Sale 05-Aug-2016 Sale 12-Aug-2016 Sale 28-Oct-2016 At the end of the year 31-Mar-2017	 19090 -650 -6500 -5000 -3520 3420	 1.0648 0.0362 0.3625 0.2788 0.1963 0.1907	 19090 18440 11940 6940 3420 3420	 1.0648 1.0285 0.6660 0.3871 0.1907 0.1907

ANNEXURE - 2 to BOARD'S REPORT

Sl No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding during the year 31.03.2017	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
8	Sonia Gulati				
	At the beginning of the year 01-Apr-2016	17050	0.9510	17050	0.9510
	Sale 29-Jul-2016	-1628	0.0908	15422	0.8602
	Sale 05-Aug-2016	-3469	0.1934	11953	0.6667
	Sale 12-Aug-2016	-1000	0.557	10953	0.6109
	Sale 16-Sep-2016	-221	0.0123	10732	0.5986
	Sale 21-Oct-2016	-846	0.0471	9886	0.5514
	Sale 28-Oct-2016	-500	0.0278	9386	0.5235
	Sale 04-Nov-2016	-2194	0.1223	7192	0.4011
	Sale 11-Nov-2016	-6355	0.3544	837	0.0466
	At the end of the year 31-Mar-2017	837	0.0466	837	0.0466
9	Govindbhai baldev Desai Jt.1 : Bhavana Govindbhai Desai				
	At the beginning of the year 01-Apr-2016	16000	0.8924	16000	0.8924
	At the end of the year 31-Mar-2017	16000	0.8924	16000	0.8924
10	Sitharaman G Jt.1 : Janaki S				
	At the beginning of the year 01-Apr-2016	13720	0.7652	13720	0.7652
	At the end of the year 31-Mar-2017	13720	0.7652	13720	0.7652
11	Hardik Bharat Patel Jt.1 : Minal Bharat Patel				
	At the beginning of the year 01-Apr-2016	2717	0.1515	2717	0.1515
	Purchase 23-Sep-2016	3448	0.1923	6165	0.3438
	Purchase 30-Sep-2016	3326	0.1855	9491	0.5294
	Purchase 07-Oct-2016	9070	0.5059	18561	1.0353
	At the end of the Year 31-Mar-2017	18561	1.0353	18561	1.0353
12	F L Dadabhoy Jt.1 : P F Dadabhoy				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 05-Aug-2016	3711	0.2069	3711	0.2069
	Purchase 12-Aug-2016	5589	0.3117	9300	0.5187
	Purchase 19-Aug-2016	1200	0.0669	10500	0.5856

ANNEXURE - 2 to BOARD'S REPORT

Sl No	Name of the Shareholder	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding during the year 31.03.2017	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	Purchase 26-Aug-2016	1500	0.0836	12000	0.6693
	Purchase 09-Sep-2016	1200	0.0669	13200	0.7362
	Purchase 14-Oct-2016	600	0.0334	13800	0.7697
	Purchase 21-Oct-2016	1200	0.0669	15000	0.8366
	Purchase 04-Nov-2016	3000	0.1673	18000	1.0040
	At the end of the Year 31-Mar-2017	18000	1.0040	18000	1.0040
13	Devika Anand				
	At the beginning of the year 01-Apr-2016	0	0.0000	0	0.0000
	Purchase 02-Sep-2016	468	0.0261	468	0.0261
	Purchase 21-Oct-2016	1331	0.0742	1799	0.1003
	Purchase 28-Oct-2016	897	0.0500	2696	0.1503
	Purchase 04-Nov-2016	3220	0.1796	5916	0.3299
	Purchase 11-Nov-2016	1556	0.0867	7472	0.4167
	Purchase 18-Nov-2016	348	0.0194	7820	0.4361
	Purchase 02-Dec-2016	1100	0.0613	8920	0.4975
	Purchase 17-Feb-2017	2756	0.1537	11676	0.6512
	Purchase 24-Feb-2017	275	0.0153	11951	0.6666
	Purchase 10-Mar-2017	2840	0.1584	14791	0.8250
	At the end of the Year 31-Mar-2017	14791	0.8250	14791	0.8250

ANNEXURE - 2 to BOARD'S REPORT

V. Shareholding of Directors and Key Managerial Personnel

Sl No	For each of the Directors and KMP	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding during the year 31.03.2017	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	N GOPALARATNAM At the beginning of the year 01.04.2016 At the end of the year 31.03.2017	10200 10200	0.5689 0.5689	10200 10200	0.5689 0.5689
2	R VAIDYANATHAN At the beginning of the year 01.04.2016 At the end of the year 31.03.2017	2500 2500	0.1394 0.1394	2500 2500	0.1394 0.1394
3	T R SIVARAMAN At the beginning of the year 01.04.2016 Sale 25-Nov-2016 Sale 02-Dec-2016 At the end of the year 31.03.2017	870 -625 -225 20	0.0485 0.0348 0.0125 0.0011	870 245 20 20	0.0485 0.0136 0.0011 0.0011
4	G A PATHANJALI At the beginning of the year 01.04.2016 At the end of the year 31.03.2017	100 100	0.0055 0.0055	100 100	0.0055 0.0055
5	S V RAJU At the beginning of the year 01.04.2016 At the end of the year 31.03.2017	100 100	0.0055 0.0055	100 100	0.0055 0.0055

ANNEXURE - 2 to BOARD'S REPORT

VI. Indebtedness

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

(₹ in lakhs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2693.20	82.00	-	2775.20
ii) Interest due but not paid	-	38.51	-	38.51
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2693.20	120.51	-	2813.71
Change in indebtedness during the financial year				
A) Principal				
- Addition	11.75	590.00	-	601.75
- Reduction	-	-	-	-
Change in indebtedness during the financial year				
B) Interest				
- Addition	-	56.05	-	56.05
- Reduction	-	-	-	-
Net Change	11.75	646.05	-	657.80
Indebtedness at the end of the financial year				
i) Principal Amount	2704.95	672.00	-	3376.95
ii) Interest due but not paid	-	94.56	-	94.56
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2704.95	766.56	-	3471.51

ANNEXURE - 2 to BOARD'S REPORT

VII. Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount (₹ in lakhs)
		Dr. G. A. Pathanjali	
1.	Gross Salary		
	(a) Salary as per provisions contained 17(1) of the Income Tax Act, 1961	16.32	16.32
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	2.64	2.64
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others - Special Allowance	7.20	7.20
5.	Others - Retiral benefits	3.92	3.92
	Total	30.08	30.08
	Ceiling as per the Act	42.00	42.00

ANNEXURE - 2 to BOARD'S REPORT

B. Remuneration to other Directors

Sl. No	Particulars of Remuneration	Name of Directors					Total Amount (in ₹)
		Mr. A. L. Somayaji	Mr. R. P. Prem Kumar	Mr. M. Natarajan	RAdm S. Mohapatra	Mrs. Lalitha Lakshmanan	
1.		Independent Directors					
	Fee for attending Board Committee Meetings	55000	55000	20000	15000	45000	190000
	- Commission	-	-	-	-	-	-
	- Others	-	-	-	-	-	-
	Please Specify						
	Total (1)	50000	55000	20000	15000	45000	190000
2.		Other Non Executive Directors					
		Mr. N. Gopalaratnam	Mr. R. Vaidyanathan	Mr. Raj Kumar			Total Amount (in ₹)
	Fee for attending Board Committee Meetings	45000	45000	45000		135000	
	- Commission	-	-	-		-	
	- Others	-	-	-		-	
	Please Specify						
	Total (2)	45000	45000	45000		135000	
	Total (B) (1+2)						325000
	Overall ceiling as per the Act						*

* Minimum Remuneration for Managing Director
Only Sitting Fee for others

ANNEXURE - 2 to BOARD'S REPORT

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (₹ in Lakhs)
		Company Secretary	CFO*	
1.	Gross Salary			
	(a) Salary as per provisions contained 17(1) of the Income Tax Act, 1961	1.80	3.68	5.48
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	2.40	3.52	5.92
	(c) Profits in lieu of salary u/s 17(3) Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, Specify	-	-	-
5.	Others - Please Specify	-	-	-
	Total	4.20	7.20	11.40

* Mr R Swaminathan, Additional Chief Financial Officer

VIII. Penalties / Punishment / Compounding Offences

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

(For the Board of Directors)

Chennai 600 034
May 29, 2017

N. GOPALARATNAM
Chairman

ANNEXURE - 3 to BOARD'S REPORT

**DISCLOSURE IN TERMS OF SECTION 134 (3)(m) OF THE COMPANIES ACT, 2013
READ WITH RULE 8 OF THE COMPANIES (ACCOUNTS) RULES, 2014.**

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

1. Research and Development (Totally in-house)

- Development of Primary activated Reserve Type Silver Zinc Batteries for Aerospace applications.
- Development of Cuprous Chloride Batteries.
- Development of Automotive Lead Acid Batteries.
- Development of Valve Regulated Lead Acid Batteries.
- Development and Production of PEM Fuel Cells.
- Development and Production of Electro-catalyst for Fuel Cells.
- Research on Nano materials and Nano composites.
- Research on Vanadium based Flow Battery materials.

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

- The batteries developed have eliminated imports in their respective categories and thus they have saved substantial foreign exchange outgo.
- The batteries developed in-house were also exported and thus earned foreign exchange.
- Upgradation of technology to match the advancement in developed countries.

- Indigenisation and self reliance in the critical field of batteries for strategic defence applications.

- “Make in India” concept fully implemented over three decades.

- Diversification through commercialisation of Lead Acid batteries.

3. Future Plan of Action

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

4. Expenditure on R & D during the year

₹ in Lakhs

	As At 31.03.2017	As At 31.03.2016
Capital Recurring	-	-
Total	54.68	74.27

5. Technology Absorption and Adoption

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

6. Foreign Exchange Earnings and Outgo

₹ in Lakhs

	As At 31.03.2017	As At 31.03.2016
Earnings	80.49	61.91
Outgo	162.04	155.20

(For the Board of Directors)

N. GOPALARATNAM
Chairman

Chennai 600 034
May 29, 2017

ANNEXURE - 4 to BOARD'S REPORT

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

A. Statement of particulars of remuneration as per Rule 5(1)

Sl.No	Description			
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Managing Director (MD)	5:1	Note 1
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	MD Company Secretary CFO	NIL NIL NIL	Note 2
3.	The percentage increase in the median remuneration of employees in the financial year		15%	
4.	The number of permanent employees on the rolls of company		122	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase in the salary of employees other than managerial persons Managerial remuneration	15% NIL	Note 3
6.	Affirmation that the remuneration is as per the remuneration policy of the company	Yes, Remuneration is as per the remuneration policy of the company		

Notes:

- All other directors were paid only sitting fee for attending the meetings of the Board and Committees thereof.
- Revision is done once in three years for MD.
- MD remuneration is revised only once in 3 years and MD is appointed in the FY 2014-15 for a period of 3 years from 01.04.2014 to 31.03.2017.

ANNEXURE - 4 to BOARD'S REPORT

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

Sl.No	Description	Particulars
1	Name & Designation of the employee	Dr. G. A. Pathanjali, Managing Director
2	Remuneration received	MD : ₹ 30.08 Lakhs
3	Nature of employment	Regular
4	Qualification & Experience	MD - M.Tech, Ph.D - 33 Years Varied experience in Management of Projects, R&D, Operations and General Management in the Battery Industry.
5	Date of commencement of employment	MD - 22/08/1983
6	Age of such employee	MD - 57 years
7	Last employment	MD - Joined in the Company as Engineer (R&D) in 1983.
8	% of Equity shares held	MD - 0.01%
9	Relationship with any director	Not a relative of any Director of the Company.

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

(For the Board of Directors)

Chennai 600 034
May 29, 2017

N. GOPALARATNAM
Chairman

ANNEXURE - 5 to BOARD'S REPORT

FORM NO. MR - 3 SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2017

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

To,

The Members

**M/s High Energy Batteries (India) Limited
Esvin House,
13, Old Mahabalipuram Road,
Perungudi, Chennai - 600 096.**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/S HIGH ENERGY BATTERIES (INDIA) LIMITED, CHENNAI-600096 (hereinafter called "the Company").

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by M/S HIGH ENERGY BATTERIES (INDIA) LIMITED (the Company) and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31st March 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (v) Other Laws applicable specifically to the Company:
 - a. Environmental (Protection) Act, 1986;
 - b. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
 - c. The Batteries (Management and Handling) Rules, 2001;
 - d. Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989

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

ANNEXURE - 5 to BOARD'S REPORT

- (i) Secretarial Standards with respect to the meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

During the year under report, the Company did not attract the provisions of :

- (i) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

WE FURTHER REPORT THAT :

The Board of Directors of the Company is duly constituted with proper balance of Executive

Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice with agenda items supported by detailed notes thereon is given to all Directors to schedule the Board Meetings and Committee meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meetings and for meaningful participation at the meetings.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. But there were no dissenting views during the year under report.

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

We further report that during the audit period the Company had no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., referred to above.

FOR B.K. SUNDARAM & ASSOCIATES
COMPANY SECRETARIES

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

Place : TRICHY
Date : 27.05.2017

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

ANNEXURE - 5 to BOARD'S REPORT

**ANNEXURE TO SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017
OF
M/S HIGH ENERGY BATTERIES (INDIA) LIMITED**

1. Maintenance of secretarial records with reference to the provisions of the Companies Act,2013 & the Rules thereunder and the maintenance of records with reference to other applicable laws is the responsibility of the management of the Company. Our responsibility is to express an opinion based on our audit.
2. We have followed the audit practices and procedures as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our Secretarial Audit. The verifications were done on a random test basis to ensure that correctness of the facts reflected in the records.
3. We have obtained the Management representation about the compliance of Laws, Rules and Regulations and occurrence of events. As per the Management Representation given by the Company Secretary of the Company there is no law exclusively applicable for the Company except those stated in Point (V) of the Secretarial Audit Report.

FOR B.K. SUNDARAM & ASSOCIATES
COMPANY SECRETARIES

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

Place : TRICHY

Date : 27.05.2017

M/s. R. SUBRAMANIAN AND COMPANY LLP
Chartered Accountants

**INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31ST MARCH 2017**

To the Members of HIGH ENERGY BATTERIES (INDIA) LIMITED

**REPORT ON THE STANDALONE
FINANCIAL STATEMENTS**

We have audited the accompanying Standalone Financial Statements of **HIGH ENERGY BATTERIES (INDIA) LIMITED** ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of Significant Accounting Policies and other explanatory information.

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

operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the

accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

OPINION

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- a) In the case of the Balance sheet, of the state of affairs of the company as at 31st March 2017.
- b) In the case of Statement of Profit and loss of the Profit for the year ended on that date and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

EMPHASIS OF MATTER:

We draw attention to:

- i) Note No 28 regarding recognition of Deferred Tax Asset (Net) of Rs.818.86 lakhs recognised so far including reversal of deferred tax asset of Rs.12.77 lakhs for the current year. The Management is of the view that the company will have adequate taxable income in the future and there exists virtual certainty for taking benefit of Deferred Tax Asset.
- ii) Note No 44 regarding non receipt of confirmation of balances/pending

reconciliation in respect of certain debtors/creditors and advance from customers. Adjustments if any which may arise upon receipt of confirmation/ completion of reconciliation will be dealt with in the year of receipt of confirmation/ completion of reconciliation.

Our opinion is not qualified in respect of the above matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1 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 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 Accounting standards specified 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 31 March 2017 and taken on record by the Board of Directors, none of the Directors is

disqualified as on 31 March 2017 from being appointed as a Director in terms of Section 164(2) of the Act; and

- (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 Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. 19 to the financial statements;
 - (ii) the Company did not have any long-term contracts, including derivative contracts, that requires a provision for material foreseeable losses in these financial statements; and
 - (iii) there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) The Company has provided adequate disclosures in the financial statements as to holdings as well as dealing in Specified Bank notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance

with the books of accounts maintained by the Company and as produced to us by the management – Refer Note 42.

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

For **M/s. R. SUBRAMANIAN AND COMPANY LLP**
Chartered Accountants
Firm Reg. No. 004137S/S200041

K JAYASHANKAR

Partner
Membership No. 14156

Chennai
May 29, 2017

ANNEXURE “A” to The Independent Auditor’s Report of even date on the Standalone 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, 2017 in conjunction with our audit of the Standalone 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 the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company’s internal financial control over financial reporting is a process designed to

provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that :

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **M/s. R. SUBRAMANIAN AND COMPANY LLP**
Chartered Accountants
Firm Reg. No. 004137S/S200041

K JAYASHANKAR
Partner
Membership No. 14156

Chennai
May 29, 2017

Annexure “B” to the Independent Auditors’ Report of even date on the Standalone 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:

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) The title deeds of immovable properties are held in the name of the Company.
- (ii) The Management has conducted physical verification of inventory at reasonable intervals and no material discrepancies were noticed.
- (iii) The Company has not granted any loans to any party covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, in respect of, investments made by the Company. The company has not provided any loans or guarantee or security to any company covered under Section 185.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has prescribed maintenance of Cost Records under Sub-section (1) of Section 148 of the Companies Act, 2013 and such accounts and records have been made and maintained.

(vii) According to the information and explanations given to us in respect of Statutory dues :

- (a) The Company is regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, 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 2017 for a period of more than six months from the date they became payable. However, there are some delays in remitting certain undisputed statutory dues during the year.
- b) Details of dues of Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax have not been deposited as on 31st March 2017 on account of disputes are given below :

Name of the Statute	Tamilnadu VAT Act
Nature of Dues	VAT
Amount ₹ in Lakhs	₹84.65 Lakhs (₹15 Lakhs paid as per court order)
Forum where the dispute is pending	Madurai Bench, Madras High Court
Period to which the dues belong	Financial Years 2007 – 08 to 2010 – 11

Name of the Statute	Income Tax Act, 1961
Nature of Dues	Income Tax
Amount ₹ in Lakhs	₹ 21.91 Lakhs
Forum where the dispute is pending	CIT Appeals
Period to which the dues belong	Assessment Year 2000 – 2001, 2004 – 2005 & 2007 – 2008

- (viii) The Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- (x) As per the information and explanations made available to us the Company has not noticed any fraud by the Company or any fraud on the Company by its Officers or employees or reported during the year.
- (xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197, read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence complying with the provisions of the Nidhi Rules, 2014 does not arise.
- (xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements, etc., as required by the applicable Accounting Standards.

- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The Company has not entered into any non-cash transactions with Directors or persons connected with him.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **M/s. R. SUBRAMANIAN AND COMPANY LLP**
Chartered Accountants
Firm Reg. No. 004137S/S200041

K JAYASHANKAR
Partner
Membership No. 14156

Chennai
May 29, 2017

BALANCE SHEET AS AT 31st MARCH, 2017

	Note No.	AS AT 31-03-2017	AS AT 31-03-2016
(₹ in Lakhs)			
I Equity and Liabilities			
1 Shareholders' Funds			
a) Share Capital	2	179.28	179.28
b) Reserves and Surplus	3	81.70	47.78
2 Non Current Liabilities			
a) Long Term Borrowings		-	-
b) Other Long Term Liabilities	4	644.76	534.87
c) Long Term Provisions	5	41.17	38.48
3 Current Liabilities			
a) Short Term Borrowings	6	3376.95	2775.20
b) Trade Payables	7	1478.79	842.53
c) Other Current Liabilities	8	863.05	912.64
d) Short Term Provisions	9	15.34	6.03
Total		6681.04	5336.81
II Assets			
1 Non Current Assets			
a) Fixed Assets			
i) Property Plant and Equipment	10	1417.86	1537.16
ii) Intangible Assets		-	-
iii) Capital Work in Progress		-	-
b) Non Current Investments	11	6.07	6.07
c) Long Term Loans and Advances	12	32.09	35.18
d) Deferred Tax Asset (Net)	13	818.86	831.63
2 Current Assets			
a) Inventories	14	2406.62	1744.50
b) Trade Receivables	15	1637.67	724.79
c) Cash and Bank Balances	16	77.76	155.71
d) Short Term Loans and Advances	17	264.11	280.44
e) Other Current Assets	18	20.00	21.33
Total		6681.04	5336.81
Notes to Financial Statements 1 to 43			
G.A. PATHANJALI Managing Director		S.V. RAJU Secretary	Vide our Report of even date attached For M/s. R. SUBRAMANIAN AND COMPANY LLP Chartered Accountants Firm Reg.No. 004137S / S200041
Directors			
R. SWAMINATHAN Additional CFO	N. GOPALARATNAM	M. NATARAJAN	K. JAYASHANKAR Partner Membership No.14156
Chennai May 29, 2017	R. VAIDYANATHAN A.L. SOMAYAJI CMDE R. P. PREM KUMAR, VSM (Retd.)	LALITHA LAKSHMANAN	

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2017

	Note No.	YEAR ENDED 31-03-2017	YEAR ENDED 31-03-2016
(₹ in Lakhs)			
Revenue from Operations			
Revenue from sale of Batteries & Testing Services (Gross)	20	4766.15	2280.10
Less : Excise duty		82.98	44.56
Revenue from sale of Batteries & Testing Services (Net)		4683.17	2235.54
Other Operating Revenue - Sale of Scrap		35.82	42.35
Other Income	21	15.88	16.82
Total Revenue		4734.87	2294.71
Expenses			
Cost of materials and Components consumed	22	2680.20	1051.83
Changes in Inventories	23	(300.78)	501.69
Employee Benefits Expense	24	773.43	587.20
Finance Cost	25	530.59	547.86
Depreciation	10	132.01	122.23
Other Expenses	26	872.72	786.64
Total Expenses		4688.17	3597.45
Profit / (Loss) Before Tax and Exceptional Items		46.70	(1302.74)
Exceptional Item	27	-	242.59
Profit / (Loss) Before Tax and after Exceptional Items		46.70	(1060.15)
Tax Expenses			
Current Tax		--	--
Deferred Tax Liability / (Asset)		12.77	(403.85)
Reversal of MAT Credit Entitlement		--	31.68
Total Tax Expenses		12.77	(372.17)
Profit / (Loss) After Tax and after Exceptional Items		33.93	(687.98)
Earning per Share			
Basic and Diluted Earning per share of ₹ 10/- each		1.89	(38.38)
Notes to Financial Statements 1 to 43			
G.A. PATHANJALI Managing Director	Directors	S.V. RAJU Secretary	Vide our Report of even date attached For M/s. R. SUBRAMANIAN AND COMPANY LLP Chartered Accountants Firm Reg.No. 004137S / S200041
R. SWAMINATHAN Additional CFO		N. GOPALARATNAM R. VAIDYANATHAN A.L. SOMAYAJI CMDE R. P. PREM KUMAR, VSM (Retd.)	M. NATARAJAN LALITHA LAKSHMANAN
Chennai May 29, 2017			

Notes on Financial Statements for the Year ended 31st March, 2017

1. Notes forming part of the Balance Sheet as at 31st March 2017 and the Statement of Profit and Loss for the year ended 31st March 2017.

SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Concepts

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

b) Use of Estimates

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

c) Revenue Recognition

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

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

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

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

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

d) Property Plant and Equipment

Property Plant and Equipment 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.

e) Depreciation

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

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

Notes on Financial Statements for the Year ended 31st March, 2017

- 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 Statement of Profit and Loss Account, if such a decline is other than temporary in the opinion of the Management.
- h) Research and Development Expenditure
Expenditure incurred on Scientific Research, other than Capital Expenditure, are written off to revenue in the year in which they are incurred. Capital Expenditure is added to the Cost of Fixed Assets and depreciated accordingly.
- i) Employee Benefits
Short term Employee benefits are charged at the undiscounted amount to Statement of Profit and Loss account in the year in which related service is rendered.
Contributions to defined contribution schemes towards retirement benefits in the form of provident fund and superannuation fund for the year are charged to Statement of profit and loss account as incurred.
Liabilities in respect of defined benefit plans are determined based on actuarial valuation made by an independent actuary. Actuarial gains or losses are recognized immediately in the Statement of profit and loss account. Obligation for leave encashment is recognized in the same manner.
Other terminal benefits are recognised as an expense as and when incurred.
- j) Provision, Contingent Liabilities and Contingent Assets
Provisions are recognised when there is a present obligation as a result of a past event it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. Contingent Liabilities are disclosed, unless the possibility of any outflow in settlement is remote, in the notes on Accounts. Contingent assets are neither recognised nor disclosed.
- k) Taxes on Income
Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of Income Tax Act, 1961. Deferred Tax is recognised, on timing difference, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses.
- l) Foreign Exchange Transactions
Transactions in foreign exchange are initially recognised at the rates prevailing on the dates of transactions.

Notes on Financial Statements for the Year ended 31st March, 2017

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

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

m) Insurance Claims

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

n) Borrowing Costs

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

o) Impairment of Assets

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

p) Earnings per share

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

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

q) Segment Reporting

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

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

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

r) Derivatives

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

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

s) Leases

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

Notes on Financial Statements for the Year ended 31st March, 2017

	AS AT 31-03-2017		AS AT 31-03-2016	
	(₹ in Lakhs)			
2 Authorised Capital				
7500000 (31.03.2016 - 7500000) equity shares of ₹ 10/- each	750.00		750.00	
Issued, Subscribed and Fully paid up shares				
1792768 (31.03.2016 - 1792768) equity shares of ₹ 10/- each	179.28		179.28	
Total of Issued, Subscribed and Fully paid up shares	179.28		179.28	
a Reconciliation of Equity Shares outstanding at the beginning and at the end of the reporting period				
	AS AT 31-03-2017		AS AT 31-03-2016	
	Nos	(₹ in Lakhs)	Nos	(₹ in Lakhs)
At the Beginning of the year	1792768	179.28	1792768	179.28
Issued During the year	--	--	--	--
Outstanding at the end of the year	1792768	179.28	1792768	179.28
b Details of Shareholders holding more than 5% of shares				
Name of Shareholder	AS AT 31-03-2017		AS AT 31-03-2016	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
Seshasayee Paper and Boards Limited	282911	15.78	282911	15.78
Life Insurance Corporation of India	239000	13.33	239000	13.33
Time Square Investments (P) Limited	165463	9.23	165463	9.23
Ponni Sugars (Erode) Limited	100000	5.58	100000	5.58
<p>Terms / rights attached to Equity Share : The Company has only one class of Equity share having a par value of ₹ 10/- per share. Each holder of Equity share is entitled to one vote per share.</p> <p>Dividend (if any) proposed by the board of directors is subject to approval of the shareholders at the ensuing annual general meeting, except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding.</p>				

Notes on Financial Statements for the Year ended 31st March, 2017

	AS AT 31-03-2017	AS AT 31-03-2016
(₹ in Lakhs)		
3 Reserves and Surplus		
a Capital Redemption Reserve		
Balance as per last Balance Sheet	3.00	3.00
b Securities Premium Account		
Balance as per last Balance Sheet	783.34	783.34
c General Reserve		
Balance as per last Balance Sheet	200.00	848.00
Less: Transfer to Statement of Profit and Loss	-	648.00
Balance as at the end of the year	200.00	200.00
d Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per last Balance Sheet	(938.57)	(898.59)
Add : Surplus / (Deficit) for the year	33.93	(687.98)
Transfer from General Reserve	-	648.00
Net Surplus / (Deficit) in the Statement of Profit and Loss	(904.64)	(938.57)
Total	81.70	47.78
4 Other Long Term Liabilities		
Advances from Customers	644.76	534.87
Total	644.76	534.87
Advances represents amount to be adjusted from invoices after one year based on delivery period as stipulated in the contract with customers.		
5 Long Term Provisions		
Provision for Warranty (vide Note No. 31)	10.77	9.74
Provision for Leave Benefits	30.40	28.74
Total	41.17	38.48

Notes on Financial Statements for the Year ended 31st March, 2017

	AS AT 31-03-2017	AS AT 31-03-2016
	(₹ in Lakhs)	
6 Short Term Borrowings		
Secured Loans		
Cash Credit Loan	2704.95	2693.20
Total (A)	2704.95	2693.20
Unsecured Loans		
Other Loans and Advances from Companies	672.00	82.00
Total (B)	672.00	82.00
Total (A + B)	3376.95	2775.20

Working Capital borrowings from Banks are secured by :

- a) Paripassu first charge on all stocks of Raw Materials, Finished Goods, Stock in Process, Stores, Spares, book debts and movable assets of the company.
- b) Paripassu first charge on all immovable fixed assets of the company excepting those pertaining to Lead Acid Battery Facility.
- c) Paripassu second charge on all movable and immovable fixed assets of the Lead Acid Battery Facility.
- d) Lien on Fixed Deposits (including interest) aggregating to ₹ 75.53 Lakhs.

7 Trade Payables

Micro and Small Enterprises	Nil	Nil
Goods	1186.50	615.61
Services	292.29	226.92
Total	1478.79	842.53

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



Notes on Financial Statements for the Year ended 31st March, 2017

	AS AT 31-03-2017	AS AT 31-03-2016
	(₹ in Lakhs)	
8 Other Current Liabilities		
Employee benefits payable	185.51	100.42
Current Maturities of Long Term Borrowings	-	0.84
Interest accrued and Due	94.56	38.51
Advance received from customers	439.72	652.03
Unpaid Dividends *	0.45	1.80
Sales Tax	88.18	42.06
Tax Deducted at Source	12.12	7.08
Others	42.51	62.90
Total	863.05	912.64
* No amount is due and outstanding to be credited to Investor Education and Protection Fund.		
9 Short Term Provisions		
Provision for Leave Benefits	5.68	4.59
Provision for Warranty (vide Note No 31)	8.97	1.03
Provision for Excise Duty on Finished Goods	0.69	0.41
Total	15.34	6.03

Notes on Financial Statements for the Year ended 31st March, 2017										
(₹ in Lakhs)										
10 (i) Property Plant and Equipment										
Description	Cost as on 01-Apr-16	Gross Block			Depreciation			Net Block		
		Additions	Deductions	Cost as on 31-Mar-17	Upto 31-Mar-16	For the Year	Withdrawn	Upto 31-Mar-17	As at 31-Mar-17	As at 31-Mar-16
Land	24.45	-	-	24.45	-	-	-	-	24.45	24.45
Building	873.56	5.20	-	878.76	541.91	14.54	-	556.45	322.31	331.65
Plant & Machinery	2373.52	6.78	-	2380.30	1230.54	107.81	-	1338.35	1041.95	1142.98
Electrical Installation	131.58	-	-	131.58	105.37	6.30	-	111.67	19.91	26.21
Office Equipment	150.42	0.73	-	151.15	142.72	2.60	-	145.32	5.83	7.70
Furniture & Library	23.56	-	-	23.56	22.50	0.15	-	22.65	0.91	1.06
Vehicles	18.99	-	-	18.99	15.88	0.61	-	16.49	2.50	3.11
TOTAL	3596.08	12.71	-	3608.79	2058.92	132.01	-	2190.93	1417.86	1537.16
Previous Year	3591.81	4.27	-	3596.08	1936.69	122.23	-	2058.92	1537.16	1655.12

Notes on Financial Statements for the Year ended 31st March, 2017

	AS AT 31-03-2017	AS AT 31-03-2016
	(₹ in Lakhs)	
11 Non Current Investments - Long Term		
Non Trade		
Investment in Equity Shares (Quoted)		
382 (Previous year : 382) Equity Shares of ₹ 10/- each in Ponni Sugars (Erode) Limited, fully paid up	0.08	0.08
10329 (Previous year : 10329) Equity Shares of ₹ 10/- each in Seshasayee Paper and Boards Limited, fully paid up	1.25	1.25
Investment in Equity Shares (Unquoted)		
45000 (Previous year : 45000) Equity Shares of ₹ 10/- each in SPB Projects and Consultancy Limited, fully paid up	4.51	4.51
1500 (Previous year : 1500) Equity Shares of ₹ 10/- each in GPC Technologies Limited, fully paid up	0.15	0.15
830 (Previous year : 830) Equity Shares of ₹ 10/- each in Esvin Advanced Technologies Limited, fully paid up	0.08	0.08
Total	6.07	6.07
Agreegate cost of Quoted investments	1.33	1.33
Market value of Quoted investments	81.45	24.92
Agreegate cost of unquoted Investments	4.74	4.74
12 Long Term Loans and Advances		
Unsecured and considered good		
Electricity Deposits	12.56	14.46
Telephone Deposits	0.36	0.46
Deposit - Others	6.71	8.00
Rental Deposit	12.46	12.26
Total	32.09	35.18

Notes on Financial Statements for the Year ended 31st March, 2017

	AS AT 31-03-2017	AS AT 31-03-2016
	(₹ in Lakhs)	
13 Deferred Tax Liabilities (Vide Note No.28)		
Deferred Tax Liabilities		
On account of Depreciation	261.34	284.46
Gross Deferred Tax Liability	261.34	284.46
Deferred Tax Assets		
Unabsorbed Losses and allowances under Income Tax Act 1961	1012.31	1090.10
43B Disallowances	67.89	25.99
Gross Deferred Tax Assets	1080.20	1116.09
Net Deferred Tax Liabilities / (Asset)	(818.86)	(831.63)
Note : Deferred Tax Assets and Liabilities are being offset as they relate to taxes and income levied by the same governing tax laws.		
14 Inventories (Valued at lower of Cost and Net Realisable Value)		
Raw Materials and Components [Includes Materials in transit of ₹ Nil (31.03.2016 - ₹ 7.19 Lakhs)]	1605.32	1263.61
Work in progress	653.84	382.94
Finished Goods (includes Stock in Trade - Nil) (31.03.2016 ₹ Nil)	43.42	13.54
Stores and Spares	78.32	72.97
Loose Tools	25.72	11.44
Total	2406.62	1744.50
Details of Finished Goods		
Aerospace, Naval and Power System Batteries	36.88	-
Lead Acid Storage Batteries	6.54	13.54
Total	43.42	13.54

Notes on Financial Statements for the Year ended 31st March, 2017

	AS AT 31-03-2017	AS AT 31-03-2016
	(₹ in Lakhs)	
15 Trade Receivables		
Unsecured considered Good unless stated otherwise		
Unsecured, considered Good		
Exceeding six months	324.42	314.82
Other Debts	1313.25	409.97
Unsecured, considered doubtful		
Exceeding six months	162.90	61.92
	1800.57	786.71
Less : Provision for doubtful debts	(162.90)	(61.92)
Total	1637.67	724.79
16 Cash and Bank Balances		
Cash and Cash Equivalents		
Balances with banks	0.73	1.48
In Deposit accounts with original maturity of less than 3 months	-	80.00
Cash in hand	1.05	2.16
Cash and Cash Equivalents (A)	1.78	83.64
Other Bank Balances		
Deposits with Original maturity for more than 12 months *	75.53	70.27
Unpaid Dividend Account	0.45	1.80
Other Bank Balances (B)	75.98	72.07
Total (A) + (B)	77.76	155.71
* Deposits with banks are held as a security for the short term loans taken from various banks.		
17 Short Term Loans and Advances		
Unsecured Considered Good		
Advances to Suppliers and Services	192.99	162.21
Advance Income Tax (Net of provision)	71.02	118.18
Balance with Central Excise, Customs, etc.	0.10	0.05
Total	264.11	280.44

Notes on Financial Statements for the Year ended 31st March, 2017

	YEAR ENDED 31-03-2017	YEAR ENDED 31-03-2016
	(₹ in Lakhs)	
18 Other Current Assets		
Unsecured Considered Good		
Cenvat / Service Tax / VAT receivable	20.00	21.33
Total	20.00	21.33
19 Contingent Liabilities and Commitments		
Counter Guarantees and Commitments on Letters of Credit	3445.80	2998.99
Claims against the company not acknowledged as Debts	28.00	28.00
Estimated amount of contracts remaining to be executed on capital accounts not provided for	4.01	0.92
Tamil Nadu VAT under dispute	84.65	84.65
Claims from Customers under dispute	-	0.38
Liquidated damages disputed	101.59	53.85
Bihar Sales Tax under dispute	-	4.50
Income tax under dispute	21.91	21.91
Kerala VAT under dispute	1.55	-
20 Revenue from Sale of Batteries & Testing Services		
Aerospace, Naval and Power System Batteries		
Silver Zinc Batteries and Cells	4112.67	1972.83
Nickel Cadmium Cells	445.88	205.49
Lead Acid Batteries*		
Lead Acid Batteries	207.60	101.78
Total	4766.15	2280.10
* Excludes Free / Test and Evaluation samples.		
21 Other Income		
Interest Income		
- Bank Deposits	5.63	8.80
- Others	-	7.09
Dividend Income - Long Term Investments	0.52	0.86
Exchange Difference (Net)	8.36	-
Miscellaneous Income	1.37	0.07
Total	15.88	16.82



Notes on Financial Statements for the Year ended 31st March, 2017

	YEAR ENDED 31-03-2017	YEAR ENDED 31-03-2016
	(₹ in Lakhs)	
22 Cost of Materials and Components consumed		
Silver	1012.58	198.47
Copper	22.79	20.13
Lead	55.64	14.31
Others	543.32	312.81
Components of various descriptions	1045.87	506.11
Total	2680.20	1051.83
23 Change in Inventories		
Inventory at the end of the year		
- Work In Progress	653.84	382.94
- Finished Goods	43.42	13.54
- Stock in Trade	-	-
Total	697.26	396.48
Inventory at the beginning of the year		
- Work In Progress	382.94	655.17
- Finished Goods	13.54	233.13
- Stock in Trade	-	9.87
Total	396.48	898.17
(Increase) / Decrease in Inventory	(300.78)	501.69
24 Employee Benefits		
Salaries, Wages and Bonus	663.71	503.05
Contribution to Provident and Other Funds	49.60	36.57
Staff Welfare Expenses	60.12	47.58
Total	773.43	587.20
25 Finance Cost		
Interest on Borrowings	426.16	483.36
Other Borrowing Cost	104.43	64.50
Total	530.59	547.86



Notes on Financial Statements for the Year ended 31st March, 2017

	YEAR ENDED 31-03-2017	YEAR ENDED 31-03-2016
	(₹ in Lakhs)	
26 Other Expenses		
Consumption of Stores and Spares	51.32	37.86
Power and Fuel	106.71	77.23
Rent	17.28	23.74
Repairs and Maintenance		
- Plant and Machinery	8.16	5.21
- Buildings	14.14	10.61
- Others	29.17	23.71
Insurance	15.00	40.48
Rates and Taxes	17.55	19.68
Selling Expenses	123.63	98.59
Expenditure on Scientific Research	54.68	74.27
Increase/(Decrease) in respect of		
Excise Duty on Finished Goods	0.28	(8.55)
Travelling and Conveyance	159.01	153.23
Directors' Sitting fees	3.73	4.04
Payment to Auditors (*)	6.61	6.25
Professional and Legal Charges	36.66	34.98
Exchange Difference (Net)	-	0.14
Miscellaneous Expenses	127.81	146.43
Provision for Doubtful Debts	100.98	38.75
Total	872.72	786.64
(*) Payments to Auditors		
- Audit Fees	4.60	4.65
- Limited Review	0.86	0.45
- Tax Audit	1.15	1.15
	6.61	6.25
27 Exceptional Item		
Profit on Sale of Investments	-	503.84
Obsolete Inventories written off	-	(160.76)
Sales Returns / Others	-	(100.49)
Total	-	242.59

Notes on Financial Statements for the Year ended 31st March, 2017

28. Transfer to Deferred Tax is mainly on account of difference in charging depreciation prescribed under the Companies Act 2013, and allowable under the Income Tax Act, 1961 and on account of unabsorbed depreciation / business loss under Income Tax Act.

Based on firm orders on hand and expected improvements in the performance of the Company as a whole, in the view of the Management, the company will have adequate taxable income in future and there exists virtual certainty of the Deferred Tax Asset (DTA) getting realized.

29. Expenditure on Scientific Research includes salaries and allowances ₹ 54.68 lakhs (Previous year ₹ 74.27 lakhs) and materials is **Nil** (Previous year **Nil**)

30. In terms of development contract with a customer, assets and development expenditure of the value of ₹ 191 lakhs has been incurred and equivalent amount received from the customer is netted against the same. The company is holding these assets as a bailee in terms of the development contract.

31. Movement in estimated Liability towards Warranty as per Accounting Standard 29 (AS 29)

	31.03.2017	31.03.2016
	<i>(₹ in Lakhs)</i>	
Provision at the beginning of the year	10.77	9.74
Withdrawal during the year	(-) 3.86	(-) 2.62
Addition during the year	(+) 12.83	(+) 3.65
Used during the year	--	--
	19.74	10.77

Notes on Financial Statements for the Year ended 31st March, 2017

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

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

S.No.	Name of the Party	Description of transactions and amount during the year			Amount Outstanding as on 31.03.2017
		Nature of Transaction	₹ in Lakhs		
			31.03.17	31.03.16	
1	Seshasayee Paper and Boards Ltd	Expenses Reimbursement Purchase of Paper Dividend Received Loan Availed Loan Repayment Loan Outstanding Interest on Loan availed	0.82 0.58 0.52 440.00 Nil 440.00 43.72	2.92 0.51 0.41 561.00 561.00 Nil 27.03	Assets : Investments in : ₹ 1.25 (Previous year ₹ 1.25) Liabilities : ₹ 2.83 Lakhs Equity Shares (15.78%) Payables : ₹ 66.37 Lakhs towards ICD Interest (₹ 27.03) and ₹ 2.99 Lakhs towards reimbursement of expenses (Previous year ₹ 2.17)
2	Esvi International (Engineers & Exporters) Limited	Rent Paid	6.13	5.95	Assets : Nil Liabilities : Nil Payables : ₹ 12.93 Lakhs (₹ 7.34 Lakhs)
3	Dr. G. A. Pathanjali Managing Director	Salaries and Perquisites paid	30.08	30.09	Payables : ₹ 18.09 Lakhs (₹14.23 Lakhs)

33. The disclosure as required under Accounting Standard AS-17 “Segment Reporting”;

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

Notes on Financial Statements for the Year ended 31st March, 2017

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

(₹ in Lakhs)

S.No.	Particulars	For the Year Ended 31st March 2017	For the Year Ended 31st March 2016
A)	Primary Segments		
1	Segment Revenue (Net of duties)		
	a) Aerospace, Naval and Power System Batteries	4558.55	2144.84
	b) Lead Acid Storage Batteries	207.60	90.70
	Net Sales / Income from Operations	4766.15	2235.54
2	Segment Results Profit / (Loss) Before Tax		
	a) Aerospace, Naval and Power System Batteries	935.45	(658.82)
	b) Lead Acid Storage Batteries	(354.93)	(362.41)
	Less : Unallocable expenditure net of unallocable income	(533.82)	38.92
	Profit / (Loss) Before Tax	46.70	(1060.15)
3	Other Information		
	Segment Assets		
	a) Aerospace, Naval and Power System Batteries	4231.88	2574.60
	b) Lead Acid Storage Batteries	1339.11	1534.57
	c) Unallocable (Net)	1110.05	1227.64
	Total (A)	6681.04	5336.81
	Segment Liabilities		
	a) Aerospace, Naval and Power System Batteries	2733.97	2014.10
	b) Lead Acid Storage Batteries	53.13	41.86
	c) Unallocable (Net)	3632.96	3053.78
	Total (B)	6420.06	5109.74
	Capital Employed (A) - (B)	260.98	227.07
	Total Capital Expenditure incurred during the year	12.71	4.27
	Depreciation for the year (including residual depreciation in respect of assets whose useful life is 'NIL')	132.01	122.23
B)	Secondary Segments (Geographical)		
	Segment Revenue (Net of duties)		
	a) Export sales (including deemed export)	80.49	61.91
	b) Domestic sales	4602.66	2173.63
	Total	4683.17	2235.54

Notes on Financial Statements for the Year ended 31st March, 2017

34. Employee Benefits

i) Defined Contribution Plans

Contribution of ₹ 31.70 Lakhs to defined contribution plans is recognized as an expense and included in Employee Benefits (Note No. 24) in the Statement of profit and loss account. (Previous year ₹ 34.45 Lakhs)

ii) Defined Benefit Plans

Disclosure for defined plans based on actuarial valuation as on 31.03.2017.

General Description	Post Employment Benefit		Long Term Compensated absence	
	Gratuity - Funded Plan - Non Contributory		Leave Encashment - Unfunded - Non Contributory	
	31.03.17	31.03.16	31.03.17	31.03.16
	₹ in Lakhs		₹ in Lakhs	
(i) Change in Defined Benefit obligation				
Present Value - Opening balance	165.19	171.36	33.33	26.91
Current service cost	7.10	7.32	3.22	2.99
Interest cost	11.09	12.59	2.38	2.10
Past service cost	-	-	-	-
Actuarial loss / (gain)	4.29	(6.24)	2.83	1.33
Benefits paid	(8.94)	(19.83)	(5.67)	-
Present Value - Closing balance	178.73	165.19	36.08	33.33
(ii) Change in Fair Value of Plan Assets				
Opening Balance	177.84	164.53	-	-
Expected return on plan assets	14.50	13.75	-	-
Actuarial gain/(loss)	(0.23)	(0.75)	-	-
Contributions	4.68	20.15	5.67	-
Benefits paid	(8.94)	(19.83)	(5.67)	-
Closing balance	187.85	177.84	-	-
Actual return	14.27	13.00	-	-
(iii) Amount Recognised in the Balance Sheet (as at year end)				
Present value of the obligation	178.73	165.19	36.08	33.33
Fair value of plan assets	187.85	177.84	-	-
Net (asset) / liability recognised	(9.12)	(12.65)	36.08	33.33

Notes on Financial Statements for the Year ended 31st March, 2017

General Description	Post Employment Benefit		Long Term Compensated absence	
	Gratuity - Funded Plan - Non Contributory		Leave Encashment - Unfunded - Non Contributory	
	31.03.17	31.03.16	31.03.17	31.03.16
	₹ in Lakhs		₹ in Lakhs	
(iv) Expenses recognized in the profit and loss account				
Current service cost	7.10	7.32	3.22	2.99
Past service cost	-	-	-	-
Interest cost	11.09	12.59	2.38	2.10
Expected return on plan assets	(14.50)	(13.75)	-	-
Net actuarial (gain)/loss	4.52	(5.50)	2.83	1.33
Total included in 'Employee Cost' (Note 24)	8.21	0.67	8.42	6.42
(v) Asset Information	Insurance Policy 100%		-	
(vi) Principal actuarial assumptions	LIC (1994-96) Ultimate table		LIC (1994-96) Ultimate table	
Mortality				
Discount rate (%)	6.90	7.80	7.80	7.80
Future salary increase (%)	5.00	5.00	5.00	5.00
Rate of return of plan assets (%)	8.25	8.35	-	-
Expected average remaining working lives of employees (Years)	8.80	8.80	8.80	8.80
(vii) The estimate of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as, supply and demand in the employment market.				

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

₹ in Lakhs

Particulars	Gratuity					Leave Encashment				
	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13	31.03.17	31.03.16	31.03.15	31.03.14	31.03.13
Defined Benefit Obligation	178.73	165.19	171.36	144.55	145.47	36.08	33.33	26.91	30.40	26.37
Plan Assets	187.84	177.84	164.53	146.27	137.42	-	-	-	-	-
Surplus / (Deficit)	9.12	12.65	(6.83)	1.72	(8.05)	(36.08)	(33.33)	(26.91)	(30.40)	(26.37)
Experience adjustments on Plan Liabilities	4.67	6.24	(2.24)	(7.36)	0.64	(1.17)	(1.33)	4.84	(4.71)	(2.95)
Experience adjustments on Plan Assets	(0.23)	(0.75)	(0.20)	0.17	(0.51)	-	-	-	-	-

Notes on Financial Statements for the Year ended 31st March, 2017

	31-03-2017		31-03-2016	
	(₹ in Lakhs)			
35. Value of Imports on CIF Basis				
Raw materials and Components	445.78		149.35	
Stores and Spares	-		0.87	
Capital Goods	-		-	
	<u>445.78</u>		<u>150.22</u>	
36. Expenditure in Foreign Currency during the year				
Foreign Travel Expenditure	0.97		4.98	
Commission on sales	-		10.70	
	<u>0.97</u>		<u>15.68</u>	
37. Earnings in Foreign Currency during the year				
Export of Goods on F.O.B basis	80.49		61.91	
	<u>80.49</u>		<u>61.91</u>	
38. Value of Imports / Indigenous Raw Materials / Components / Stores and spares consumed				
	31-03-2017		31-03-2016	
	Value	%	Value	%
	(₹ in Lakhs)			
Raw materials and Components :				
Imported - Landed Cost	454.88	17.00	191.96	18.00
Indigenous	2225.32	83.00	859.87	82.00
	<u>2680.20</u>	<u>100.00</u>	<u>1051.83</u>	<u>100.00</u>
Stores, Spares and Tools :				
Imported - Landed Cost	-	-	0.87	2.00
Indigenous	51.32	100.00	36.99	98.00
	<u>51.32</u>	<u>100.00</u>	<u>37.86</u>	<u>100.00</u>

Notes on Financial Statements for the Year ended 31st March, 2017

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

		2016-2017	2015-2016
Net Profit/(Loss) as per Profit and Loss Account ₹		33 92 619	(687 97 994)
Weighted Average Number of Equity Shares Nos.		17 92 768	17 92 768
Face Value ₹		10	10
Basic and Diluted Earnings per share ₹		1.89	(38.38)

40. Disclosure as per Accounting Standard 19 - Leases
Operating Lease:

The Company has taken Office and Godown premises on operating lease and no substantial risk and reward incidental to ownership of the assets has been obtained. All lease agreements are cancellable at the option of the company.

- 41.** Confirmation of balances are yet to be received/ reconciliation is pending in respect of certain Debtors/Creditors and advances from customers. Adjustment if any which may arise upon receipt of confirmation/ completion of reconciliation will be dealt with in the year of receipt of confirmation/completion of reconciliation.
- 42.** Details of Specified Bank Notes (SBN) held and transacted during the period from 8th November, 2016 to 30th December 2016 as provided in the Table below :-

Particulars	₹ in Lakhs		
	SBN	Other Denomination	Total
Closing Cash in hand as on 08/11/2016	0.24	0.49	0.73
(+) Permitted Receipts	0.35	3.38	3.73
(-) Permitted Payments	-	3.03	3.03
(-) Amount deposited in Banks	0.59	0.07	0.66
Closing cash in hand as on 30.12.2016	Nil	0.77	0.77

- 43.** Previous year figures have been regrouped and rearranged wherever necessary, to confirm to current year's classification.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017

Description	FOR THE YEAR ENDED 31-03-2017	FOR THE YEAR ENDED 31-03-2016
	(₹ in Lakhs)	
A. Cash Flow from Operating Activities		
Net Profit before tax and after exceptional items	46.70	(1060.15)
Adjustments for :		
Depreciation	132.01	122.23
Finance Cost less Interest Received	524.96	531.98
Provision for Bad and doubtful debts	100.98	38.75
(Profit)/Loss on Sale of Assets	-	(503.84)
Dividend from Non Trade Investments	<u>(0.52)</u>	<u>(0.86)</u>
	757.43	188.26
Operating Profit / (Loss) before Working Capital Changes	804.13	(871.89)
Adjustments for :		
Trade and other Receivables	(1040.27)	477.27
Inventories	(662.13)	825.85
Trade and other Payables	710.75	293.37
	<u>(991.65)</u>	<u>1596.49</u>
Cash generated from Operation	(187.52)	724.60
Income tax paid / Refund	<u>47.16</u>	<u>(26.89)</u>
Net cash from / (used) in Operating Activities	(140.36)	697.71

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2017 (Continued)

Description	FOR THE YEAR ENDED 31-03-2017	FOR THE YEAR ENDED 31-03-2016
	(₹ in Lakhs)	
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(12.71)	(4.27)
Dividend from Non Trade Investments	0.52	0.86
Interest Received	5.63	15.89
Sale of Fixed Assets / Investments	-	558.10
Net Cash from / (used) in Investing Activities	(6.56)	570.58
C. Cash Flow from Financing Activities		
Unsecured loan received	590.00	12.00
Repayment of Long Term Borrowings	(0.84)	(223.15)
Working Capital Loan	11.75	(955.09)
Finance Cost Paid	(530.59)	(547.86)
Dividend and Dividend Tax Paid	-	-
Net Cash from / (used) in Financing Activities	(70.32)	(1714.10)
Net Increase / (Decrease) in Cash and Cash Equivalents (A + B + C)	(76.60)	(445.81)
Cash and Cash Equivalents at the beginning	153.91	599.72
Cash and Cash Equivalents at the end *	77.31	153.91
* Includes Fixed Deposits with Banks aggregating to ₹ 75.53 Lakhs (Previous year ₹ 70.27 Lakhs) given as security margin for certain Borrowings from Banks / Foreign Letter of Credit.		
<p>G.A. PATHANJALI Managing Director</p> <p>R. SWAMINATHAN Additional CFO</p> <p>Chennai May 29, 2017</p>	<p>Directors</p> <p>N. GOPALARATNAM R. VAIDYANATHAN A.L. SOMAYAJI CMDE R. P. PREM KUMAR, VSM (Retd.)</p>	<p>S.V. RAJU Secretary</p> <p>M. NATARAJAN LALITHA LAKSHMANAN</p> <p>Vide our Report of even date attached For M/s. R. SUBRAMANIAN AND COMPANY LLP Chartered Accountants Firm Reg.No. 004137S / S200041 K. JAYASHANKAR Partner Membership No.14156</p>

Financial Highlights - Ten years at Glance

₹ in Lakhs

For the Year	2007 - 08	2008 - 09	2009 - 10	2010 - 11	2011 - 12	2012 - 13	2013 - 14	2014 - 15	2015 - 16	2016 - 17
Total Income	1858.53	2443.74	2772.29	3691.08	5611.85	6674.73	3164.77	3281.88	2294.71	4734.87
Total Expenditure	1642.05	2079.03	2602.63	3347.67	4903.15	6021.40	3409.66	3580.24	2927.36	4025.57
PBITD	216.48	364.71	169.66	343.41	708.70	653.33	(244.89)	(298.36)	(632.65)	709.30
Finance Cost	103.54	148.16	304.12	316.71	489.05	441.24	582.38	616.91	547.85	530.59
Depreciation	64.57	57.59	139.95	169.86	165.02	160.98	150.49	153.69	122.23	132.01
Profit before exceptional items	-	-	-	-	-	-	-	(1068.96)	(1302.74)	46.70
Exceptional items	-	-	-	-	-	-	-	639.69	242.59	-
PBT	48.37	158.96	(274.41)	(143.16)	54.63	51.11	(977.77)	(429.27)	(1060.15)	46.70
Tax Expenses	18.11	61.72	(93.61)	(98.96)	(15.52)	(14.51)	(355.23)	(148.13)	(403.85)	12.77
PAT	30.26	97.24	(180.80)	(44.19)	39.11	36.60	(622.54)	(281.14)	(687.98)	33.93
EPS (₹)	3.38	10.85	(11.09)	(2.47)	2.18	2.04	(34.73)	(15.68)	(38.38)	1.89
Cash EPS (₹)	10.59	17.28	(2.28)	7.01	11.38	11.02	(26.32)	(7.11)	(31.56)	9.26
Dividend %	25	35	-	-	-	10	-	-	-	-
As at the year end										
Gross Block	1615.44	1618.36	3553.79	3546.23	3577.14	3600.08	3638.12	3591.81	3596.08	3608.79
Net Block	641.42	587.66	2384.07	2212.10	2090.57	1954.96	1842.51	1655.12	1537.16	1417.86
Loan Funds	809.79	2922.19	2595.29	2605.68	2457.73	3040.49	3744.34	3719.48	2775.20	2704.95
Net Worth	1072.01	1132.55	1824.74	1780.55	1819.66	1835.28	1212.75	915.03	227.06	260.98
Book Value per Share (₹)	119.59	126.35	101.78	99.32	101.50	102.37	67.65	51.04	12.67	14.56



HIGH ENERGY BATTERIES (INDIA) LIMITED

CIN : L36999TN1961PLC004606
Registered Office : 'ESVIN HOUSE',
13, Old Mahabalipuram Road, Perungudi, CHENNAI - 600 096.

ATTENDANCE SLIP

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

*Applicable to Members holding shares in Electronic Form

I, _____ (Name of the Shareholders / Proxy) hereby record my presence at the 56th Annual General Meeting of the Company held on Saturday, the 5th August 2017 at 11.00 A.M. at New Woodlands Hotel Pvt Ltd., 72-75 Dr Radhakrishnan Road, Mylapore, Chennai - 600 004.

Signature of Shareholder / Proxy

Note :

1. Please complete this attendance slip and hand it over at the entrance of the meeting hall.
2. Only shareholders of the Company or their Proxies will be allowed to attend the meeting on production of the attendance slip duly completed and signed.



HIGH ENERGY BATTERIES (INDIA) LIMITED

CIN : L36999TN1961PLC004606
Registered Office : 'ESVIN HOUSE',
13, Old Mahabalipuram Road, Perungudi, CHENNAI - 600 096.

PROXY FORM

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

Name of the member(s)		Email ID	
Registered Address		Folio	
		DP ID / Client ID	

I / We, being the member (s) holding _____ shares of the above named company, hereby appoint

1. Name :
Address
Email id :
Signature : _____ (, or failing him)
2. Name :
Address
Email id :
Signature : _____ (, or failing him)
3. Name :
Address
Email id :
Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 56th Annual General Meeting of the Company, to be held on Saturday, the 5th day of August 2017 at 11.00 A.M at New Woodlands Hotel Pvt Ltd., 72-75 Dr Radhakrishnan Road, Mylapore, Chennai 600 004 and at any adjournment thereof in respect of such resolutions as are indicated overleaf:

Resolution No	Business	Vote (Optional see Note 4) (Please mention no.of shares)		
		For	Against	Abstain
1	Adoption of Financial Statements for the FY 2016-17			
2	Reappointment of Mr. R Vaidyanathan, who retires by rotation			
3	Appointment of Auditors'			
4	Reappointment of Dr G A Pathanjali as Managing Director			

Signed this _____ day of _____ 2017

Signature of Shareholder

Affix ₹ 1
Revenue
Stamp

Signature of Proxy holder(s)

Note:

1. **Proxy**

A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself and such proxy need not be a Member of the company.

Deposit of proxy

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

2. A person can act as a Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
4. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.