



ISO 9001 : 2015, ISO 14001 : 2015 & ISO 45001 : 2018 Certified Company
CIN L36999TN1961PLC004606

Registered Office :
Esvin House,
P.B. No.5068, Perungudi,
Chennai - 600 096.
India

Ref: SECY/2023 - 24/027

01 June, 2023

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400 001

Scrip Code 504176

Dear Sirs,

Sub: Submission of Annual Report for FY 2022 – 23

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the financial year 2022 – 23.

The 62nd Annual General Meeting (AGM) of the Company is scheduled to be held on Saturday, the 24th June, 2023 at 11.00 A.M. through Video Conference (VC) / Other Audio Visual Means (OAVM). The copy of the Annual Report is also available on the website of the company viz. <https://www.highenergy.co.in/> and also it is available in the below link: - <https://www.highenergy.co.in/financials/annual-reports/>.

The cut-off date for e-voting is fixed on Friday, the 16th June 2023 and the Remote e-Voting commences on Wednesday, the 21st June 2023 (9.00 A.M.) and ends on Friday, the 23rd June 2023 (5.00 P.M.).

Pursuant to the instructions in the applicable circulars issued by SEBI & MCA, soft copies of Annual Report 2022 – 23 were disseminated to the shareholders on 31st July 2023 from the office of our RTA M/s. Cameo Corporate Services Limited.

Thanking you,

Yours faithfully,

For HIGH ENERGY BATTERIES (INDIA) LIMITED,

(V. Anantha Subramanian)

Company Secretary

Encl: Annual Report FY 2022 – 23

Phone : 91-44-24960335, 39279318, 43063545 Fax: 91-44-24961785, E-mail: hebcnn@highenergy.co.in

CS ANANTHA SUBRAMANIAN

From: Sofia [sofia@cameoindia.com]
Sent: Thursday, June 1, 2023 11:10 AM
To: 'Chennai OfficeHEB'
Cc: vas@highenergyltd.com; 'Priya'
Subject: RE: FW: [Possibly Spoofed] HIGH ENERGY BATTERIES (INDIA) LIMITED_62nd AGM on Saturday, the 24th June 2023 at 11.00 AM (IST) through (VC) / (OAVM)_FOLIO_DP_CL_ID:1223456044546829
Attachments: label_controls_9647_290523.txt; Sent_Export_att_20230531_212355.xlsx

Dear Sir

We hereby certify that we have sent Annual Report via e-mail to the shareholders on 31st May 2023 as per the details given below,

Shareholders with Email	12274
Invalid email id	0
Share holder without email id	737
Total email sent	12274

We are also attaching herewith the list for your reference

Thanking you

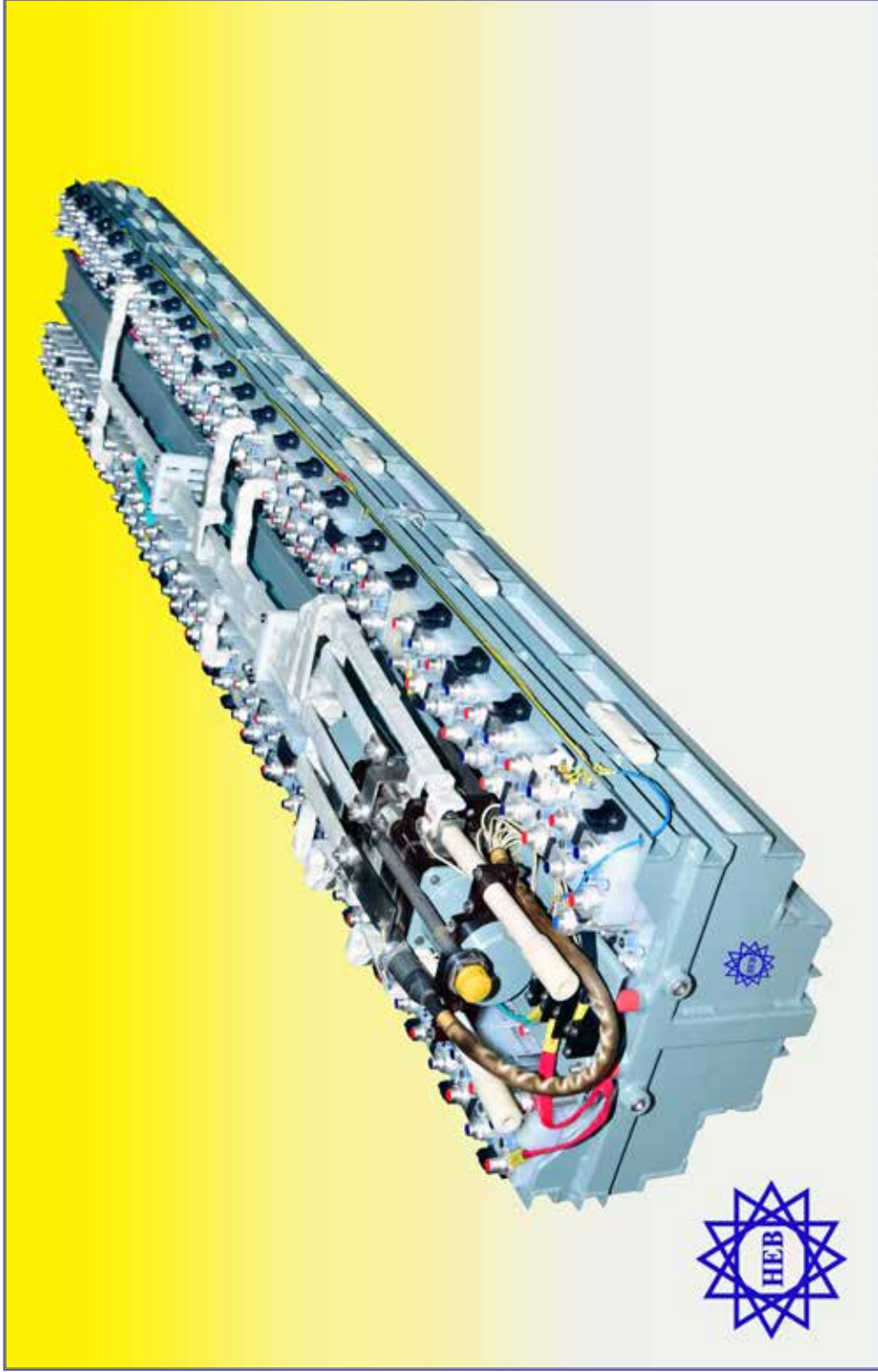
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HIGH ENERGY BATTERIES (INDIA) LIMITED



Sixty second Annual Report

2022-2023



High Power, 250 kW, Silver Oxide Zinc Secondary Battery for Deep Sea Underwater Armament



Directors

Mr.N.Gopalaratnam (Chairman)
Dr. G. A. Pathanjali (Managing Director)
Mr. M.Ignatius, Director(Operations)
Mr. A. L. Somayaji
Cmde. R.P. Prem Kumar, VSM (Retd.)
Mr. M. Natarajan
Mrs. Lalitha Lakshmanan
Dr. Vijayamohanana K Pillai
Mr. N. P. Sinha (Nominee of LIC)

Audit Committee

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

Nomination and Remuneration Committee

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

Stakeholders Relationship Committee

Mr. N. Gopalaratnam (Chairman)
Dr. G. A. Pathanjali
Mrs. Lalitha Lakshmanan

Secretary

Mr. V. Anantha Subramanian

Chief Financial Officer

Mr. R. Swaminathan

Statutory Auditor

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

Internal Auditor

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

Secretarial Auditor

M/s. B.K. Sundaram & Associates
Practicing Company Secretaries
30, Pandamangalam Agraharam,
Woraiyur, Trichy – 620 003

Banks

UCO Bank
Punjab National Bank

Registered Office

“Esvin House”,
13, Old Mahabalipuram Road,
Perungudi, Chennai – 600 096
Phone: 91-44-24960335 / 43063545
Email: hebcnn@highenergy.co.in
Web: www.highenergy.co.in

Email ID for Investor Grievance

investor@highenergyltd.com

Corporate Identity Number

L36999TN1961PLC004606

ISIN: INE783E01023

BSE Code: 504176

Factory

Pakkudi Road, Mathur - 622 515
Pudukkottai District
Phone: 0431- 2660323/ 2660324
Email: info@highenergyltd.com

Registrar & Transfer Agent

M/s. Cameo Corporate Services Ltd
“Subramanian Building”, 5th Floor,
No. 1, Club House Road,
Chennai – 600 002.
Phone: (044) 28460390
Email: investor@cameoindia.com



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HIGH ENERGY BATTERIES (INDIA) LIMITED

CIN: L36999TN1961PLC004606

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

Phone: 044 - 24960335 / 43063545

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **62nd Annual General Meeting of HIGH ENERGY BATTERIES (INDIA) LIMITED will be held on Saturday, the 24th June, 2023 at 11.00 A.M. through Video Conference (VC) or Other Audio Visual Means (OAVM) to transact the following business:**

ORDINARY BUSINESS

1. Adoption of Financial Statements

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

"RESOLVED THAT the Standalone Audited Financial Statements of the Company for the year ended 31st March, 2023, together with the Report of the Board of Directors' and Auditors' thereon as circulated to the members be and are hereby considered, approved and adopted".

2. Dividend Declaration

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

"RESOLVED THAT a dividend of ₹ 3.50 (Three Rupees Fifty Paise only) per share (175%) for the year ended 31st March, 2023 on 89,63,840 equity shares of ₹ 2 each fully paid-up of the Company, be and is hereby declared for payment to the shareholders of the Company whose names appear in the Register of Members as at the close of business hours on 16th June, 2023"

3. Reappointment of retiring Director

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

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

SPECIAL BUSINESS

4. Reappointment of Dr. G. A. Pathanjali as Managing Director

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

"RESOLVED THAT pursuant to Sections 196, 197, 203, and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Act and pursuant to Regulation 17 (1C) and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, and such other provisions to the extent applicable, and as recommended by the Nomination and Remuneration Committee of the Board of Directors of the Company at its meeting held on 18th March, 2023 and approved by the Board of Directors of the Company at its meeting held on 18th March, 2023, approval be and is hereby accorded for the re-appointment of Dr. G. A. Pathanjali (DIN: 05297665) as Managing Director of the Company for a period of 3 years from 01st April, 2023 to



NOTICE TO THE SHAREHOLDERS

31st March, 2026, whose office is not liable to retire by rotation, under the Articles of Association of the Company, on the terms and conditions of appointment and remuneration as set out below and the Board of Directors be and are hereby authorized to alter and vary such terms of appointment and remuneration in accordance with the provisions of the Companies Act, 2013, as amended from time to time”.

“RESOLVED FURTHER THAT on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company be and is hereby authorised to finalize other terms of appointment and scope of work as may be in the overall interest of the Company”.

TERMS AND CONDITIONS

1	Period	From 01.04.2023 to 31.03.2026
2	Remuneration	
	(a) Salary	₹ 3,00,000/- (Rupees Three lakhs only) per month as Basic Salary.
	(b)Commission	Equivalent to 1% of the net profits of the Company subject to a ceiling of an amount equal to the annual Salary.
3	Perquisites	Perquisites will be in addition to salary and commission and shall be restricted to an amount equal to the annual salary.
	a)House Rent Allowance	₹ 36,000/- (Rupees Thirty Six thousand only) per month.
	b)Gas, Electricity, Water and Furnishings	The expenditure incurred 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.

c)Medical imbursement	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.
d)Club Fees	Fees of Clubs subject to a maximum of two clubs. No admission and life membership fee will be paid.
e)Personal Accident Insurance	Personal Accident Insurance of an amount, the annual premium of which to be paid at actuals.
f) Contribution to Provident Fund and Superannuation Fund	a) Company's contribution towards Provident Fund as per the Rules of the Company. b) Company's contribution towards Superannuation 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 that these either singly or put together are not taxable under the Income-tax Act.
g)Gratuity	As per the Rules of the Company, subject to the provisions of The Payment of Gratuities Act, 1972 and will not be included in the computation of ceiling on perquisites.



NOTICE TO THE SHAREHOLDERS

	h) Leave Salary	As per the Rules of the Company, Leave accumulated shall be encashable at the end of the tenure. Encashment of leave at the end of the tenure will not be included in the computation of the ceiling on perquisites.
	i) Use of Car	Car for use on Company's business 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 (as per Section 198 of Companies Act, 2013), 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 of the Companies Act, 2013. No commission is payable in such year.

5. Remuneration to Non – Executive Directors

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

“RESOLVED THAT pursuant to Section 197, Schedule V to the Companies Act, 2013 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the company be and is hereby accorded for payment of remuneration to Non Executive Directors of the Company, exclusive of the sitting fees, for a period of three financial years from FY 2023 – 2024 to FY 2025 – 2026”.

“RESOLVED FURTHER THAT remuneration for all the non executive directors shall in aggregate not to exceed the limits specified in Section 197 / Schedule V of the Companies Act, 2013, whichever is higher as may be amended from time to time”.

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

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

(By order of the Board)

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

V ANANTHA SUBRAMANIAN
Company Secretary

Chennai
29th April, 2023



NOTICE TO THE SHAREHOLDERS

NOTES:

1. AGM THROUGH VIDEO CONFERENCE (VC):

In view of continuing social distancing norms due to Covid-19, the Ministry of Corporate Affairs (MCA), vide its General Circular Nos. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 20/2020 dated 5th May, 2020, 2/2022 dated 5th May, 2022, the latest being 11/2022 dated 28th December, 2022 and Securities and Exchange Board of India (SEBI) vide its Circular No. SEBI/HO/CFD/CMD2/CIRP/P/2022/62 dated 13th May, 2022, and other applicable circulars issued in this regard, have allowed the companies to conduct AGM through VC / OAVM till 30th September, 2023 without physical presence of members at a common venue. In accordance with the applicable provisions of the Act and the said Circulars issued by MCA and SEBI, the 62nd Annual General Meeting of the Company shall be conducted through VC / OAVM. Central Depository Services (India) Limited ('CDSL') will be providing facilities for voting through remote e-voting, for participation in the AGM through VC / OAVM and also for e-voting during the AGM.

2. EXPLANATORY STATEMENT:

A statement pursuant to Section 102 of the Companies Act, 2013, setting out all material facts relating to the relevant resolutions of this Notice is annexed herewith and the same should be taken as part of this Notice. Further, as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") and the provisions of the Secretarial Standard No. 2 on General Meetings, a brief profile of

the directors proposed to be appointed and re-appointed has been annexed as **Appendix-A** to this Notice.

3. QUORUM / PROXY FORM/ ATTENDANCE SLIP:

Pursuant to the aforesaid Circulars, the facility to appoint proxy by Members under Section 105 of the Act, 2013 to attend and cast vote for the Members is not available for this AGM as the physical attendance of Members has been dispensed with.

Pursuant to Section 113 of the Companies Act, 2013, Body Corporates are entitled to appoint authorised representatives as its Member to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-Voting.

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

4. INSPECTION:

All relevant documents referred to in this Notice requiring the approval of the members at the meeting shall be available for inspection by the Members. Members who wish to inspect the documents are requested to send an email to hebcnn@highenergy.co.in or vas@highenergyltd.com mentioning their Name, Folio No. / Client ID and DP ID and the documents they wish to inspect, with a self-attested copy of their PAN Card attached to the e-mail.

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which the Directors are interested under Section 189

NOTICE TO THE SHAREHOLDERS

of the Act and all other documents referred in notice will be available for inspection by the members during normal business hours on any working day of the company (Monday to Saturday 09:00 AM to 05:00 PM).

5. BOOK CLOSURE:

Pursuant to Section 91 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the register of members and Share Transfer Books of the Company will be closed from 17th June, 2023 to 24th June, 2023.

6. VOTING RIGHTS:

The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company, subject to the provisions of Companies Act, 2013, as on cut-off date 16th June, 2023.

7. MAILING OF AGM NOTICE & ANNUAL REPORT:

The Electronic copies of the Annual Report and the Notice of the 62nd AGM inter alia indicating the process and manner of e-voting along with instructions to attend the Annual General Meeting through Video-Conferencing / Other Audio-Visual Means (VC/OAVM) will be sent by email to those Members whose email address has been made available to the Company / RTA/ Depository Participants as on 26th May, 2023. Members who have not registered their email addresses, can register the same by submitting Form ISR-1 available in the website of the Company and RTA. The physical copies of Annual Report 2022-23 will be sent only to such of those shareholders who would make a valid request in this regard and had not registered their e-mail IDs with the Company.

As per the extant MCA / SEBI Circulars, the Notice calling the AGM has been uploaded on the website of the Company at <https://www.highenergy.co.in/financials/annual-reports/>. The Notice can also be accessed from the website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of CDSL (agency for providing the Remote e-Voting facility) i.e. www.evotingindia.com.

The notice and the Annual Report are available at the following link- <https://www.highenergy.co.in/financials/annual-reports/> (Company's website) and also at www.bseindia.com (official website of M/s. BSE Limited).

8. PARTICULARS OF DIRECTORS:

In terms of the Regulation 36(3) of the Listing Regulations, read with Secretarial Standards on General Meeting, brief profile of the Directors, who are proposed to be reappointed in this AGM, nature of their expertise in specific functional areas, other Directorships and Committee Memberships, their shareholding and relationship with other Directors of the Company are elaborated in **Appendix - A** to this notice.

9. DIVIDEND:

Dividend on declaration will be paid on or before Monday, the 31st July, 2023 electronically to those members who have updated their bank details with their Depository Participants (DP) or with the Company / Registrar and Transfer Agent (RTA). The payment of such dividend is subject to deduction of tax at source.

Shareholders are advised to refer to 'Shareholder information' section of the Corporate Governance Report (page 48 of

NOTICE TO THE SHAREHOLDERS

the Annual Report) for details on dividend entitlement, payment options, tax on dividend and procedure for claiming tax exemption.

10. TAX DEDUCTION AT SOURCE:

Members may note that the Income Tax Act, 1961, (“the IT Act”), as amended by the Finance Act, 2020, mandates that Dividend paid or distributed by a Company after April 01, 2020 shall be taxable in the hands of Members. The details in this regard are given in **Appendix - B** to this Notice.

11. UNCLAIMED DIVIDEND:

In terms of Section 124 of the Act, 2013, the dividend declared by the Company, for earlier years, which remain unclaimed for a period of seven years will be transferred on due dates to the Investor Education and Protection Fund (IEPF), established by the Central Government. The particulars of due dates for transfer of such unclaimed dividends to IEPF are furnished in the Report on Corporate Governance, forming part of the Annual Report.

Members who have not encashed their Demand Drafts in respect of the above period are requested to make their claim(s) by surrendering the un-encashed Demand Drafts immediately to the Company.

Pursuant to The Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is providing / hosting the required details of unclaimed amount referred to under Section 124 of the Act, 2013 on its website <https://www.highenergy.co.in/investor-info/> under the section “Unpaid Dividend” and also on the website of MCA viz., www.iepf.gov.in.

12. ATTENDING E-AGM:

The Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting at the meeting will be provided by CDSL which will get migrated seamlessly in NSDL as well.

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

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

- In case of shares held in Demat mode, with their respective DPs.
- In case of shares held in physical mode, the shareholders are requested to send an email to our RTA – M/s. Cameo Corporate Services Limited at investor@cameoindia.com mentioning the Name of Member(s), Folio number along with the self-attested copy of PAN card.
- After due verification the RTA – M/s. Cameo Corporate Services Limited will send login credentials for attending the AGM and voting to the registered email address.
- Shareholders are advised to send the above documents to the RTA before the book closure date ie. Saturday, the 17th June, 2023 to receive the Annual Report for the FY 2022 – 2023 through email.



NOTICE TO THE SHAREHOLDERS

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

14. VOTING PROCESS:

Shareholders can cast their votes through Remote e-Voting or at the AGM through e-Voting. The detailed process and instructions which form part of this notice.

15. GIFTS:

No gifts, gift coupons or cash in lieu of gifts shall be distributed to Members at or in connection with the Annual General Meeting in compliance with Clause 14 of Secretarial Standard (SS-2), pertaining to distribution of Gifts at Annual General Meeting.

16. ROUTE MAP:

Not applicable, since the AGM would be conducted under VC/OAVM mode.

NOTICE TO THE SHAREHOLDERS

**II. STATEMENT OF MATERIAL FACTS
(EXPLANATORY STATEMENT)
PURSUANT TO SECTION 102 OF THE
COMPANIES ACT, 2013**

The following Explanatory statement sets out all material facts relating to the special businesses mentioned in the accompanying Notice dated 29th April, 2023 and shall be taken as forming part of the Notice

Item No. 4: Reappointment of Dr. G.A. Pathanjali as Managing Director

The shareholders at the Fifty Ninth Annual General Meeting of the Company held on 29th August, 2020, had approved reappointment of Dr. G.A. Pathanjali as Managing Director of the Company w.e.f. 01st April, 2020 for a further term of 3 (three) years, i.e. up to 31st March, 2023.

The Board of Directors of the Company at the Board Meeting held on 18th March, 2023 reappointed Dr. G.A. Pathanjali as Managing Director of the Company for a further period of Three (3) years with effect from 01st April, 2023 (viz. from 01.04.2023 to 31.03.2026) and approved the remuneration package based on the recommendation of the Nomination and Remuneration Committee, subject to the approval of Members.

Dr. G. A. Pathanjali, aged 63, is a Chemical Engineer from Annamalai University, M.Tech from IIT, Kanpur and completed his doctorate in Chemical Engineering (Ph.D) from IIT, Mumbai.

He has 40 years of experience in the company and held various positions as Head R&D, Head Operations, got elevated as Executive Director on 30th May, 2012 and was appointed as MD from 01st April, 2014.

He was involved in number of design cum development activities involving Silver Chloride Magnesium, Silver Oxide Zinc, Nickel Cadmium for defence and other applications. He is closely associated with DRDO Laboratories and other Research organizations such as CECRI, CSIR, IISc and IIT. He is invited to the panel of various Energy oriented meetings and also delivering lecturers in many Scientific Institutions and Universities.

He is an active Member of various Assessment Committees like;

1. Materials for Energy Conservation Storage Platform (MECSP), Dept of Science and Technology (DST), New Delhi.
2. National Conference on Recent Trends in Green Energy Technologies (NCRTGET)
3. Energy Theme: Fast Track Translation (FTT) / Fast Track Commercialization (FTC) Projects of Council of Scientific and Industrial Research (CSIR), New Delhi.
4. Science 20 Expert Committee on Green Energy – 2023.

When he took over as Managing Director in the year 2014, the company was incurring losses due to poor performance of Lead Acid Battery division and non receipt of orders from Defence. Under his leadership the company reversed the loss situation.

Dr. G. A. Pathanjali was re-appointed as Managing Director for the second term in the year 2017 and at that time the Company was in the path of recovery. Under his direction, the Company's overall performance started improving and currently over the last 3 years, the company is firmly back on profitable operations.

NOTICE TO THE SHAREHOLDERS

Dr. G. A. Pathanjali holds 500 (0.01%) shares (Post sub-division of shares as approved by the Shareholders at the 61st AGM of the Company) in the Company. He is neither a director nor a member in any other company registered in India.

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 is, in any way concerned or interested, financially or otherwise in this item of business.

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

Item No. 5: Remuneration to Non Executive Directors

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

Considering the effective participation and valuable guidance of the Non Executive directors of the Company, the Board in its meeting held on 29.04.2023 decided to seek authorization from the shareholders for suitable remuneration to the Non Executive directors including Nominee director of

the Company for a period of three financial years from FY 2023 – 2024 to FY 2025 – 2026, subject to the approval of the members.

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

Accordingly, it is now proposed to seek authorization of shareholders by way of an Ordinary Resolution for the payment of remuneration to Non Executive directors of the Company for a period of three years.

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

(By order of the Board)

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

V ANANTHA SUBRAMANIAN
Company Secretary

Chennai
29th April, 2023

NOTICE TO THE SHAREHOLDERS

III. GENERAL INSTRUCTIONS RELATED TO ATTEND THE 62ND AGM THROUGH VC/OAVM:

1. The Company has engaged CDSL to provide VC/OAVM facility for its shareholders to participate in the AGM.
2. Shareholders will be able to attend the AGM in this mode by using their e-Voting login credentials.
3. Facility to join the meeting will open 30 minutes before the scheduled time of the AGM and will be kept open throughout the proceedings of the AGM.
4. Shareholders desiring to express their views/ ask questions through VC/OAVM may register themselves as a speaker. Request for this may be mailed to hebcnn@highenergy.co.in or to the RTA at Investor@cameoindia.com on or before Thursday, 22nd June, 2023 (5.00 PM).
5. Only those shareholders who have registered themselves as a speaker will be allowed to speak or ask questions at the AGM. The company reserves the right to restrict the number of questions and number of speakers depending upon the availability of time for conduct of the AGM.
6. Shareholders who do not wish to speak during the AGM but have queries or views may send the same in advance to the company by sending an e-mail to hebcnn@highenergy.co.in in the same manner stated above. Their queries will be replied suitably by the company through email.
7. Shareholders are advised to quote their Name, DP ID / Client ID and Folio No. in all their communications.
8. In compliance with the provisions of Sections 108 and 110 of the Act and Rule 20 and 22 of the Rules, Regulation 44 of the Listing Regulations and MCA Circulars, the Company is pleased to provide **voting by electronic means (“e-voting”) facility** to the Members, to enable them to cast their votes electronically on the resolution mentioned in the Notice. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide e-voting facility to its Members. E-voting instructions are being provided in this notice.
9. The cut-off date for the purpose of e-voting has been fixed as Friday, the 16th June, 2023. Members holding shares as on this cut-off date alone are entitled to vote under either mode.
10. Voting rights of shareholders shall be in proportion to their shareholding in the company as on the cut-off date of Friday, the 16th June, 2023. Members attending the meeting through VC/OAVM shall be counted for the purpose of determining the quorum under Section 103 of the Act.
11. In case of persons who have acquired shares and become members of the company after the despatch of AGM Notice, the company would be mailing the 62nd Annual Report for 2022 – 2023 to their registered email address as and when they become shareholders.
12. Mr. A S Kalyanaraman, Practising Chartered Accountant (Membership No. 201149) has been appointed as the Scrutinizer.
13. The Scrutinizer will after the conclusion of voting at the AGM:
 - (i) Unblock the votes cast through Remote e-voting / e-voting at the AGM.
 - (ii) The above exercise will be done in the presence of two witnesses not in the employment of the company.
 - (iii) Make a Scrutinizer’s report of the total votes cast in favour or against, if any, and submit to the Chairman.
 - (iv) The Scrutinizer’s report as above would be made soon after the conclusion of AGM and in any event not later than two days from the conclusion of the meeting.

NOTICE TO THE SHAREHOLDERS

IV. VOTING RESULTS:

- (i) The Chairman or a person authorized by him in writing will authenticate the result of the voting based on the Scrutinizer's report.
- (ii) The results declared along with the scrutinizer's report will be placed on the website of CDSL www.evotingindia.com and on company's website www.highenergy.co.in, immediately after the result is declared and also communicated to BSE.

Subject to receipt of requisite number of votes, the resolution shall be deemed to be passed on the date of AGM.

V. DETAILED PROCEDURE FOR PARTICIPATION IN THE 62ND AGM THROUGH VC / OAVM:

A. REMOTE VOTING

1. The voting period begins on **Wednesday, June 21, 2023 at (09:00 Hours) and ends on Friday, June 23, 2023 at (17:00 hours)**. During this period shareholders of the Company, holding shares either in physical form or in Dematerialized form, as on the **cut-off date of June 16, 2023**, may cast their vote electronically. The e-Voting module shall be disabled by CDSL for voting thereafter.
2. Shareholders who have not registered their e-mail address are requested to register the same in respect of Equity Shares held in electronic form with the depository through their depository participant(s) and in respect of shares held in physical form by writing to the Company's Registrar and Share Transfer Agent, M/s. Cameo Corporate Services Ltd "Subramanian Building", 5th Floor, No. 1, Club House Road, Chennai – 600 002. Alternatively, they could send an email to Investor@cameoindia.com.
3. In case of individual shareholders holding shares in Demat mode, access could be secured through respective Depositories CDSL/ NSDL e-Voting system. In case of non-individual shareholders in Demat mode and individual shareholders holding shares in physical mode, access could be secured only through CDSL e-Voting system.
4. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-Voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-Voting service providers (ESPs) providing e-Voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders. In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-Voting to all the Demat account holders, by way of a single login credential, through their Demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-Voting process.

SEBI vide its notification dated January 24, 2022 had mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in



NOTICE TO THE SHAREHOLDERS

Dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of Dematerialisation Members are advised to Dematerialise the shares held by them in physical form. Members can contact the Company for assistance in this regard.

As per SEBI circular dated 16th March 2023, in case a holder of physical securities fails to furnish the PAN, KYC details and nomination before 01st October 2023, our RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the registrar / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

5. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their Demat accounts in order to access e-Voting facility. Pursuant to above said SEBI Circular, Login method for e-Voting for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest is https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also link provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME/BIGSHARE, so that the user can visit the website of e-Voting service providers directly. 3) If the user is not registered for Easi/Easiest, option to register is available at: https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.



NOTICE TO THE SHAREHOLDERS

<p>Individual Shareholders holding securities in Demat mode with NSDL</p>	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” and under e-Voting services, you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
	<p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS Portal” or click at: https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit Demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
<p>Individual Shareholders (holding securities in Demat mode) login through their Depository Participants</p>	<p>You can also login using the login credentials of your Demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site. After successful authentication, you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

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



NOTICE TO THE SHAREHOLDERS

Helpdesk for Individual Shareholders holding securities in Demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738, 022-23058542 and 022-23058543.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022-48867000, 022-24997000.

FAQ's

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

B. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/RTA/DEPOSITORIES

1. For Physical shareholders- send an email to our RTA – M/s. Cameo Corporate Services Ltd at investor@cameoindia.com mentioning the Name of Member(s), Folio number along with the self-attested copy of PAN card. Shareholders are advised to send the above documents to the RTA before the book closure date ie. Saturday, the 17th June, 2023.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
4. **Login method for e-Voting and joining virtual meetings for shareholders (holding Physical / Demat form) and Non Individual shareholders**
 - The shareholders should log on to the e-voting website www.evotingindia.com .
 - Click on "Shareholders" module.
 - Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - Next enter the Image Verification as displayed and Click on Login.
 - If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.



NOTICE TO THE SHAREHOLDERS

- If you are a first-time user follow the steps given below:

	For Physical shareholders and other individual shareholders holding shares in Demat mode
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as physical shareholders) * Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the company records in order to login. * If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- After entering these details appropriately, click on “SUBMIT” tab.
- Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in Demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- Select EVSN (Electronic Voting Sequence Number) of High Energy Batteries (India) Limited.
- On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- If a Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

NOTICE TO THE SHAREHOLDERS

5. Additional Facility for Non – Individual Shareholders and Custodians – For Remote Voting Only:

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

6. Voting at AGM:

- The Company also offers the facility to the Shareholders for voting at AGM through e-Voting system facility for shareholders participating through VC/OAVM.
- Shareholders who could not vote through remote e-voting may avail the above voting option provided at the AGM by CDSL.
- Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote during the AGM by availing the option of e-Voting system facility.

APPENDIX - A

Details of Directors seeking appointment / reappointment at the 62nd Annual General Meeting [Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2 issued by the Institute of Company Secretaries of India.]

Sl. No.	Disclosure Particulars	Details
1	Name of the Director seeking reappointment	Dr. G.A. Pathanjali
2	Director Identification Number (DIN)	05297665
3	Date of Birth / Age	26.07.1959
4	Nationality	Indian
5	Date of First Appointment on the Board	30.05.2012 [Executive Director]
6	Qualification	Chemical Engineer from Annamalai University, M. Tech from IIT, Kanpur, Ph.D. from IIT, Mumbai.
7	Experience & Expertise	He was involved in number of design cum development activities involving Silver Chloride Magnesium, Silver Oxide Zinc, Nickel Cadmium for defence and other applications. He is closely associated with DRDO Laboratories and other Research organizations such as CECRI, CSIR, IISC and IIT.
8	Terms and conditions of reappointment	Proposed to be re-appointed as Managing Director, not liable to retire by rotation.
9	Details of Shares held in the Company	500 Shares [0.01%]
10	Relationship with other directors, manager and key managerial personnel	Nil
11	Number of Board meetings attended during the year 2022 – 23	Held : 7 Attended : 7
12	Other Directorships	Nil
13	Memberships/ Chairmanship of Committees in other Companies	Nil
14	Resignation of directorships from listed entities during past three years	Nil

APPENDIX - A

Details of Directors seeking appointment / reappointment at the 62nd Annual General Meeting [Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards 2 issued by the Institute of Company Secretaries of India.]

Sl. No.	Disclosure Particulars	Details
1	Name of the Director seeking reappointment	Mr. M. Ignatius
2	Director Identification Number (DIN)	08463140
3	Date of Birth / Age	15.05.1960
4	Nationality	Indian
5	Date of First Appointment on the Board	01.06.2019
6	Qualification	Electrical Engineer
7	Experience & Expertise	Varied experience of Project, R&D, Operations and General Management in the Battery Industry.
8	Terms and conditions of reappointment	Proposed to be re-appointed as Whole time Director designated as Director (Operations), liable to retire by rotation.
9	Details of Shares held in the Company	Nil
10	Relationship with other directors, manager and key managerial personnel	Nil
11	Number of Board meetings attended during the year 2022 – 23	Held : 7 Attended : 7
12	Other Directorships	Nil
13	Memberships/ Chairmanship of Committees in other Companies	Nil
14	Resignation of directorships from listed entities during past three years	Nil

APPENDIX - B

**Tax Deduction at Source (TDS) provisions under the Income Tax Act, 1961,
for Resident and Non-Resident shareholder categories, on the Dividend payment:**

As per Indian Income Tax Act, 1961 (Act), dividend paid or distributed by a company is taxable in the hands of shareholders at the applicable Tax Deduction at Source (TDS) provisions under the Act for Resident and Non-Resident shareholder categories.

I. For Resident Shareholders

Tax is required to be deducted at source under Section 194 of the Act, at the rate of 10% on the amount of dividend where shareholders have registered their valid Permanent Account Number (PAN). In case, shareholders do not have PAN / Invalid PAN/ PAN not linked with Aadhar/ not registered their valid PAN details in their account or classified as "specified person" in the income-tax portal, TDS at the rate of 20% shall be deducted under Section 206AA of the Act.

a. Resident Individuals

No tax shall be deducted on the dividend payable to resident individuals if:

- i. Total dividend amount to be received by them during the Financial Year (FY) 2023-24 does not exceed Rs. 5,000/-; or
- ii. The shareholder provides Form 15G (applicable to individual) / Form 15H (applicable to an Individual above the age of 60 years), provided that all the required eligibility conditions are met. Please note that all fields are mandatorily to be filled up and Company may at its sole discretion reject the form, if it does not fulfill the prescribed requirement under the Act. The Declaration in Form 15G (applicable to any person other than a Company or a firm) and 15H (applicable to an Individual who is 60 years and older) based on the conditions applicable on 'case to case' basis, could be downloaded from the Income Tax website www.incometaxindia.gov.in.
- iii. Exemption certificate is issued by the Income-tax Department, if any along with the self-attested copy of PAN Card.

II. For Non-resident Shareholders

a. As per Domestic Tax Law

Taxes are required to be withheld in accordance with the provisions of Section 195 of the Act as per the rates as applicable. As per the relevant provisions of the Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. In case, non-resident shareholders provide a certificate issued under Section 197/195 of the Act, for lower/ Nil withholding of taxes, rate specified in the said certificate shall be considered, on submission of self-attested copy of the same.

b. As per Double Tax Avoidance Agreement (DTAA)

As per Section 90 of the Act, the non-resident shareholder has the option to be governed by the provisions of the DTAA between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e., to avail DTAA benefit, the non-resident shareholders are required to submit the following:

- i. Self-attested copy of the PAN card allotted by the Indian Income Tax authorities.
- ii. Self-attested copy of Tax Residency Certificate (TRC) (financial year April 1, 2023 to March 31, 2024) obtained from the tax authorities of the country of which the shareholder is a resident.

APPENDIX - B

- iii. Shareholders who have PAN and propose to claim treaty benefit need to mandatorily file the Form 10F online at the link <https://eportal.incometax.gov.in/> with effect from April 1, 2023 to avail the benefit of DTAA.
- iv. Self-declaration by shareholder of meeting treaty eligibility requirement and satisfying beneficial ownership requirement. (financial year April 1, 2023 to March 31, 2024).

It is recommended that shareholders should independently satisfy their eligibility to claim DTAA benefit including meeting of all conditions laid down by DTAA.

Kindly note that the Company is not obligated to apply beneficial DTAA rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate as per DTAA for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident shareholder.

PAYMENT OF DIVIDEND

The dividend on Ordinary Shares for FY 2022-23 will be paid after deducting the tax at source as mentioned in the earlier paragraphs. The following provisions under the Act will also be considered to determine the applicable TDS rate:

a. TDS to be deducted at higher rate in case of non-filers of Return of Income

The provisions of Section 206AB require the deductor to deduct tax at higher of the following rates from amount paid/ credited to specified person:

- i. At twice the rate specified in the relevant provision of the Act; or
- ii. At twice the rates or rates in force; or
- iii. At the rate of 5%

The non-resident who does not have the permanent establishment and resident who is not required to file a return under section 139 of the Act are excluded from the scope of a specified person.

However, as directed by the Central Board of Direct Taxes vide Circular No. 11 of 2021 dated June 21, 2021, the Company will be using functionality of the Income-tax department for determination of "Specified Person" for the purpose of Section 206AB of the Act.

b. TDS to be deducted at higher rate in case of non-linkage of PAN with Aadhaar

As per Section 139AA of the Income Tax Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply to this, the PAN allotted shall be deemed to be invalid/inoperative and tax shall be deducted at the rate of 20% as per the provisions of section 206AA of the Act. The Company will be using functionality of the Income-tax department for the above purpose. Provisions will be effective from July 1, 2023. Shareholders may visit <https://www.incometax.gov.in/iec/foportal/> for FAQ issued by Government on PAN Aadhar linking.

c. Declaration under Rule 37BA

In terms of Rule 37BA of the Income Tax Rules 1962, if dividend income on which tax has been deducted at source is assessable in the hands of a person other than the deductee, then such deductee should file declaration with Company in the manner prescribed in the Rules.



APPENDIX - B

d. For shareholders having multiple accounts under different status / category

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

You may note that the Company has notified record date for the purposes of Final Dividend for the FY 2022-23 as June 16, 2023 to the stock exchanges. All the relevant Annexure Documents related to the TDS are available in the portal at <https://www.highenergy.co.in/investor-info/> under the Section "Forms". The shareholders are requested to send the duly filled documents either as Soft Copy through e-mail at hebcnn@highenergy.co.in or vas@highenergyltd.com. Alternatively the Shareholders could dispatch the hard copies to the address mentioned below till June 17, 2023.

The Hard copy of the documents could be addressed to,

Mr. V. Anantha Subramanian
Company Secretary
M/s. High Energy Batteries (India) Limited
Pakkudi Road, Mathur, Pudukkottai District – 622 515
Phone: 0431 – 2660323 / 2660324

Documents submitted after June 17, 2023, will not be considered. We request you to kindly take note accordingly.

UPDATION OF BANK ACCOUNT DETAILS

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

Please reach out to us at hebcnn@highenergy.co.in or vas@highenergyltd.com for any queries.

BOARD'S REPORT

Your Board hereby presents the 62nd Annual Report and the Audited Accounts for the year ended 31st March, 2023.

1. OPERATING RESULTS

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

(₹ in lakhs)

Particulars	For the year ended			
	2022 – 23		2021 – 22	
Sales (Net of GST)	9,253.80		7,925.74	
Other Operating Income	29.10	9,282.90	29.52	7,955.26
Other Income		73.12		17.90
Total Income		9,356.02		7,973.16
Profit / (Loss) before Finance Cost, Depreciation and Tax		3,182.14		2,965.44
Less:				
Finance Cost	314.76		378.09	
Depreciation	118.62	433.38	113.45	491.54
Profit / Loss before Tax		2,748.76		2,473.90
Less:				
Provision for Taxation :				
Current Tax	769.67		694.39	
Deferred Tax	(70.42)	699.25	(15.47)	678.92
Net Profit / (Loss)		2,049.51		1,794.98
Other Comprehensive Income		(1.70)		(150.44)
Total Comprehensive Income		2,047.81		1,644.54

The Company recorded a turnover of ₹ 9,282.90 lakhs in the year FY 2022 – 23, as compared to ₹ 7,955.26 lakhs, during the previous Financial Year 2021 – 22.

2. SUB DIVISION OF SHARES

The Company obtained the approval of Shareholders at the 61st AGM held on 29th June, 2022 for Sub-Division of existing Equity Shares with face value of ₹ 10/- (Ten) each fully paid up into five Equity Shares of face value of ₹ 2/- (Two) each fully paid up.

Accordingly, the sub-division exercise was completed on 10th August, 2022 (Record Date) and the Company obtained New ISIN INE783E01023 replacing the previous ISIN INE783E01015.

3. DEPOSITORY SYSTEM

As on March 31, 2023, Shares of 12,524 Shareholders out of 12,669 shareholders are held in Demat form and 8839125 shares were Dematerialised, representing 98.61% of the total Equity Share Capital compared to 97.95% as on FY 2021 – 22.

BOARD'S REPORT (Continued)

4. DIVIDEND

Your Directors recommend a dividend of 175% (₹ 3.50 /- (Three Rupees Fifty Paise only)) per equity share of ₹ 2/- each for the financial year ended 31st March, 2023, absorbing a sum of ₹ 313.74 lakhs, subject to the approval of shareholders at the ensuing 62nd Annual General Meeting.

5. TRANSFER TO GENERAL RESERVES

Your Board has proposed to transfer Rs.15 Crores to General Reserve.

6. PERFORMANCE REVIEW

a. SILVER ZINC BATTERIES

The Company achieved a turnover of ₹ 8,844.40 lakhs through Silver Zinc Battery supplies during the FY 2022 – 23, as against ₹ 7,429.43 lakhs, during the FY 2021 – 22.

This was made possible by the regular and on-time placement of Orders by Defence establishments, DRDO and Indian Navy. Availability of orders on hand had made possible uninterrupted production and completion of inspection cum testing without undue delays. Performance could have been better, had the expected orders from Defence, materialized early and impact of COVID causing delays in receipt of imported materials had not been there.

b. NICKEL CADMIUM BATTERIES

During the year, the turnover of Nickel Cadmium Division was ₹ 409.40 lakhs, as against ₹ 496.51 lakhs during the previous year. Placement of orders by Air (HQ) for Nickel Cadmium Batteries is based on military urgency versus stock position and hence the ordering cycle keeps varying.

c. LEAD ACID BATTERIES (LAB)

As reported earlier, Lead Acid Battery division operations remained suspended since April, 2019 due to severe competition in the market resulting in non-remunerative prices. Our efforts for revival of the Plant keeping in mind the sustainability of the operations, has not yielded favourable results, so far.

d. EXPORTS

During the year, the export turnover was Nil as compared to ₹ 185.69 lakhs last year. All efforts are being made to secure export orders during the Current Year.

e. COVID – 19 IMPACT

Owing to Covid pandemic and the consequent impact, the Company had to face disruptions in supply chain and delays in receipt of imported materials, continue till date.

f. FINANCE

The Company's financial position was comfortable for most part, owing to our improved operations, supplemented by the support of our bankers, in terms of working capital enhancement and reduction in interest rates. Though the Company is categorized as MSME, payment from Defence Departments gets delayed and bunched up due to internal funds allocation issues of the Ministry. On such occasions, the needed financial support was extended by our Bankers to ensure smooth and sustained operations of our plant.

**g. ISO 9001 / ISO 14001, OHSAS 45001
CERTIFICATION ACCREDITATION**

Our Quality Management Systems "(QMS) ISO 9001:2015", "Environmental Management

BOARD'S REPORT (Continued)

Systems" (EMS) ISO 14001:2015 and OHSAS 45001 : 2018 "Occupational Health and Safety Management Systems (OHSAS), continue to be accredited for Aerospace, Naval Battery Division and Lead Acid Battery Divisions.

h. RESEARCH AND DEVELOPMENT

i. Underwater propulsion Battery

During FY 2021 – 22, our R & D received orders from DOI (Navy) on a two year contract, for the development cum supply of two distinct types of high power, high energy Silver Zinc Battery for Underwater propulsion. The programs involving design, development and Qualification of Cells, were challenging in terms of specific technical performance, and we had completed both the programmes satisfactorily, on time, Supply of batteries, for Sea Trials is in progress.

ii. CHT Program

A development program with OECT as the nodal agency, funded by both CHT and with our participation, was signed during FY 2022-23. It is a new and challenging area that we are pursuing pertaining to the broad field of Hydrogen economy, as we possess the needed resources and technical knowledge.

iii. Vanadium based flow battery

Based on the satisfactory completion of 1 kW/ 10kWh program in co-ordination with IIT Chennai, proposal submitted towards next phase of work, to pursue 10 kW / 50kWh system.

iv. Lithium Ion Battery (LIB)

Lithium Battery pack assembly work established on a Laboratory scale, is continuing on a low volume level and at a slow pace. Our in house evaluation of street lights using

2nd life LIB packs, put on charging during daytime through solar panels, is going on.

7. CURRENT YEAR (2023- 24)

With the orders on hand and the orders in pipeline which are at an advanced stage of finalization / release, the Company expects to put in good performance during the current year.

(a) Development activities pertaining to a long endurance battery, taken up as a two year program through DRDO funded contract, is in progress which will get completed by next year and thereafter expected to get into production mode.

(b) Centre for High Technology (CHT) with IOCL and GAIL as Participating agencies had initiated a program with funding from all and with our participation. The two year program pertains to the broad area of in-situ Power Generation and Hydrogen Economy.

8. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

9. CORPORATE GOVERNANCE

Pursuant to Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Corporate Governance Report together with the certificate from the Company's auditors confirming the compliance of conditions on Corporate Governance is given in **Annexure – 2**. The Corporate Governance Report also includes contents and disclosures required under Section 134(3) of the Companies Act, 2013 at relevant places that forms an integral part of this report.

BOARD'S REPORT (Continued)

10. EXTRACT OF ANNUAL RETURN

Pursuant to provisions of Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, a copy of annual return for FY 2022 – 23 will be placed on the website of the company www.highenergy.co.in after conclusion of the 62nd AGM.

11. 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company, at the end of the financial year and of the profit of the Company for that period;
- (c) the Directors have taken proper and sufficient care towards the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) the Directors have prepared the annual accounts on a "going concern" basis.

- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate to operate effectively.
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate to operate effectively.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

13. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY

Since the Company remains outside the purview of Section 188(1) read with Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014, the reporting requirements thereunder are not applicable.

14. MATERIAL CHANGES AND COMMITMENTS

There was 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 2023, to the date of this Report.

15. CONSERVATION OF ENERGY

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

BOARD'S REPORT (Continued)

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The company is covered under the mandate of Section 135 of the Companies Act, 2013 for FY 2022 – 23. The CSR report in the prescribed form is given in **Annexure – 4** that forms part of this report. Against CSR obligation of ₹ 21.10 Lakhs, we had spent ₹ 22.20 Lakhs, for the FY 2022 – 23.

17. 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 – 5**.

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

The Company comes under MSME classification, since 1st July, 2020 as “Small” Enterprises (UDYAM-TN-02-0000445). The said category was changed as “Medium” Enterprises from Small from 26th June, 2022. Further the Company avails/utilises the benefits, arising out of this reclassification including GOI / MOD contracts and Bank operations.

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

- (i) The Company has laid down adequate systems and well-drawn procedures for ensuring internal financial controls. It has appointed an external audit firm as Internal Auditors for periodically checking and monitoring the internal control measures.
- (ii) Internal Auditors are present at the Audit Committee meetings where internal audit reports are discussed. Periodical compliance report, on the observation points considered or implemented, is issued by the Internal Auditors.

(iii) 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, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

(iv) Audit Trail requirements as per New Standards, was introduced in ERP system and validated.

20. INDIAN ACCOUNTING STANDARDS (IndAS)

The Financial Statements of the current year are prepared under IndAS which was adopted since Financial Year 2017–18.

21. CASH FLOW STATEMENT

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

22. INDUSTRIAL RELATIONS

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

23. DIRECTORS

(a) Pursuant to Section 152 (6) of the Companies Act, 2013 and in accordance with Article 89 of the Articles of Association of the Company, Mr. M Ignatius (DIN: 08463140), Whole Time Director designated as Director (Operations), retires by rotation at this meeting and being eligible offers himself for reappointment.

BOARD'S REPORT (Continued)

Necessary resolution is placed before the members for their approval.

- (b) On the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 18th March, 2023, reappointed Dr. G. A. Pathanjali (DIN: 05297665) of the Company for a further term of three years from 1st April, 2023 to 31st March, 2026, not liable to retire by rotation.

Necessary resolution is placed before the members for their approval.

- (c) On 29.10.2022, the Board in its meeting accepted the resignation of Mr. H Nanda (DIN: 09595835) Nominee Director, LIC, from the Board of the Company. The Board places on record its appreciation of his involved participation in the deliberations at the Board meetings, during his tenure.
- (d) Life Insurance Corporation of India (LIC) nominated Mr. N P Sinha (DIN: 07980838) as Nominee Director of LIC on the Board of the Company in place of Mr. H Nanda. Pursuant to Regulation 17 (1C) of SEBI LODR, the Company obtained the approval of the shareholders through Postal Ballot Remote voting. The period of remote voting commenced from 10th February, 2023 and ended on 11th March, 2023. The result was declared on 13th March, 2023 and his nomination was approved by the Shareholders with requisite majority.

24. AUDITORS

- (a) The Company obtained the approval of Shareholders at the 61st AGM held on 29th June, 2022 for the appointment of M/s. Maharaj N R Suresh and Co LLP, Chartered Accountants as Statutory Auditors of the Company for a Second term of Five years to hold office from the conclusion of

61st Annual General Meeting till the conclusion of the 66th Annual General Meeting of the Company.

- (b) Particulars of Statutory Auditor, Internal auditor and the Secretarial Auditor are given in the Corporate Governance Report that forms an integral part of this Report.
- (c) M/s. R Subramanian & Company LLP was appointed as Internal Auditor of the Company for a period of two (2) years, FY 2023 – 24 & FY 2024 – 25.
- (d) M/s. B.K. Sundaram & Associates, Company Secretaries was appointed as Secretarial Auditor of the Company for the FY 2022 – 23. The Board hereby acknowledge the support rendered by M/s. B.K. Sundaram & Associates for all these years.
- (e) Secretarial Audit Report, as required by Section 204(1) of the Companies Act, 2013, is attached as **Annexure – 6**.
- (f) The Board appointed M/s. V Suresh Associates, Company Secretaries as "Secretarial Auditor" for two (2) years, FY 2023 – 24 & FY 2024 – 25.

ACKNOWLEDGEMENT

Your Directors wish to express their sincere thanks to:

- (i) all the valued customers viz., Defence Services, VSSC, ISRO, RCI, ASL, DRDO Laboratories and Ministry of Defence (MOD), NSTL, NPOL, NMRL, BDL, BrahMos (BAPL), BEL, HAL, ADE, ADA and other defence based organizations such as DGONA, DAPI, CVRDE, MGO, Air(HQ), HQMC for the whole-hearted support and encouragement, towards indigenous sourcing of Batteries for strategic applications, fulfilling Atma Nirbharta.



BOARD'S REPORT (Continued)

- (ii) all our valued Govt Statutory Bodies like IOF, PCB, Inspection cum Certifying agencies such as CEMILAC, DGAQA, DGNAI, MSQAA, SSQAG, R&QA for their timely and meticulous adherence of Quality Assurance / Product acceptance procedures.
- (iii) Educational Institutions viz., NIT(T), IIT Chennai for their co-operation and technical support to our R & D progress. OECT, part of ONGC for initiating a program on Vanadium Redox Flow Battery (VRFB), Centre for High Technology (CHT) in partnership with OECT, IOCL and GAIL for initiating development activities pertaining to Fuel Cells and Electrolyser based Green Energy using Hydrogen. Research Institutions like CECRI, for involving in our Indigenisation efforts.
- (iv) the Overseas customers, who have reposed utmost faith and confidence in our products;
- (v) the Consortium of Bankers viz., UCO Bank Limited (UCO) and Punjab National Bank (PNB) for extending timely financial support for the continued positive performance of the Company;
- (vi) the Employees at all levels of the company for their co-operation, harmonious working and the sincere efforts put in to achieve improved performance.
- (vii) to all suppliers, vendors ,service providers, sub -contractors and Shareholders for their continued trust and support.

(For Board of Directors)

Chennai
29th April, 2023

N GOPALARATNAM
Chairman



ANNEXURE - 1 TO BOARD'S REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. COMPANY STRUCTURE AND DEVELOPMENTS

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

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

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

The principal customers of the Company are the Department of Defence Supplies and VSSC / ISRO and therefore the Company is subject to certain provisions of the Official Secrets Act, 1923. The Company also requires prior permission from Ministry of Defence for export to other countries.

The defence applications require high reliability products and upgradation of technology to meet the global challenges. DRDOs and Defence establishments have opportunities for technology driven applications and this acts as a catalyst for the growth of our Company. The procurement

policy currently pursued by the Government with thrust on Indigenisation and "Atmanirbhar" in defence procurement, encourages the domestic manufacturing sector and it augurs well for our Company, to perform better.

HEB is a manufacturer of hi-tech batteries for use in Army, Navy, Air force and launch vehicles. The Company has a strong base of in-house R&D to design, develop and establish the manufacture of, silver zinc, nickel cadmium and silver chloride magnesium for stringent applications such as under water propulsion, control guidance, communication, emergency starting and for aerospace applications. The Company can undertake any development activity and establish the technology for the manufacture of electrochemical system for use in many critical applications.

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

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

II. OPPORTUNITIES AND THREATS

Opportunities

- A major player in silver zinc battery for defence.
- In – house capability for technology development.
- Part of established business group.



ANNEXURE - 1 TO BOARD'S REPORT

- Dedicated talented pool of human resource with scientific and engineering background.
- Availability of dedicated Production cum Testing facility for the Manufacture of High Power Batteries for Strategic Defence Applications.
- Huge capital expenditure planned by the Government of India for Batteries and ESS, in the Energy sector.
- High growth potential projected for E-mobility, Green Hydrogen and clean energy.

Threats

- Price rise in input materials.
- Import restriction and/or delays in receipt of critical materials/ components.
- Change in Government policy of procurement, especially by Defence Departments.
- Adverse change in the global scenario, with introduction of advanced/ disruptive systems.
- Need for HEB to get trained in the upcoming technologies and upgradation of production methods and equipment needed to tackle the changes.

III. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

HEB's revenue grew at a CAGR of 15% over FY 2018-2023, backed by the Government's thrust on the defence sector as well as its focus on awarding orders to indigenous players. In FY 2023, the revenue grew by 16.70% Year on Year basis to ₹ 92.53 crores primarily due to the increased orders from Navy as well as a major order to develop high power battery for futuristic torpedo program. The Company has a confirmed order book of around ₹ 55 crores with a possible order value of ₹ 50 to 60 Crores to be realized

within the next 06 months, as of March / April 2023, to be executed over the next 12-18 months period, providing adequate revenue visibility.

The Company supplies silver- zinc batteries to several defence establishments including Navy, Army, Airforce and space research organizations. With limited competition in the Aerospace and Naval segment, HEB derives around 65% revenues from Navy & Naval Research Labs. Typical break – up of orders from different customer base indicates:

Customer	%
Navy & Naval Research Labs	65
DRDO Labs.	6
Defence Public Sector	17
Aerospace & Others	12
	100

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

IV. OUTLOOK

Since inception, HEB had concentrated on specialized batteries for the Defence application and those used in aerospace, railways, Army and Navy. The Company had so far developed and supplied batteries for various strategic applications and credited with several National awards, especially towards R&D and Indigenisation. However, the procurement cycle of Indian

ANNEXURE - 1 TO BOARD'S REPORT

Defence is of the order of four to five years. While some flexibility was available in product pricing in the earlier years, competitive pricing requirement impacts the operating margins severely. Export potential for the present range of our products on a continuous basis, appears limited in view of obsolescence, shift in Defence Policies and global economic slowdown which impacts Defence Budget allocation.

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

V. RISK AND CONCERNS

HEB has a long working capital cycle, primarily due to the higher levels of inventory that need to be maintained, being Defence based. This service need will be there for silver zinc and other battery accessories, towards replacement on priority, in case of any emergency situation / vigil needs of Defence services.

The Company's Major revenue is from defence sector and is dependent on Defence priorities and budget allocation. Continued thrust for indigenization and Atmanirbhar, especially of Ministry of Defence (MOD), provides a positive outlook, though there is risk that our product range falls under a niche category, catering to Strategic Defence requirements, without much of a possibility for spin – off.

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

HEB's major raw materials include Silver, Zinc and Copper, the prices of which are highly volatile due to external market factors. Any adverse increase in the raw material prices could lead to a compression of margins. Price volatility in silver price gets covered by the customers on a timely basis mostly built into the contract under a price variation clause, thus exposing the Company only to minimal impact. Price fluctuations arising out of non-silver materials like Copper and Zinc, is judiciously addressed in cost estimates and pricing to mitigate any abnormal escalation. Around 10% of the total raw materials consumed are imported, liable to certain Forex risks variation, and/ or Government restrictions, which again is factored adequately in cost workings, to ensure overall exposure level to be "Nil" to "as minimum as possible".

VI. INTERNAL CONTROL SYSTEMS

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



ANNEXURE - 1 TO BOARD'S REPORT

There is adequate and effective internal audit system that employs periodic checks as “on-going process”. The Audit Committee of the Board of Directors regularly reviews the effectiveness of internal control system in order to ensure due and proper implementation and effective compliance with applicable laws, accounting standards and regulatory guidelines.

VII. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES

The Company as of 31st March, 2023 has 97 employees on its rolls out of which 60 are Managerial, and others being supervisory and production staff. Further it employs around 143 labourers/ workers on contract basis, depending upon time to time job requirements.

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

VIII. KEY FINANCIAL RATIOS

Description	Financial Year		% Change - Increase or Decrease
	2022-23	2021-22	
Operating Profit Margin (PBIDT/Total Income)	0.34	0.37	(0.03)
Net Profit margin (PBT/Total Income)	0.30	0.31	(0.01)
Interest Coverage Ratio (EBIT/Interest Expense)	8.83	7.38	1.45
Earnings per share	22.86	20.02	2.84
Debt Equity Ratio	0.29	0.45	0.16
Current Ratio	2.01	1.74	0.27
Debtors Turnover	3.83	4.18	(0.35)
Inventory Turnover	1.68	1.59	0.09

(For Board of Directors)

Chennai
29th April, 2023

N GOPALARATNAM
Chairman

ANNEXURE - 2 TO BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

I. Applicability of Code of Corporate Governance

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

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

II. Board of Directors

a. The composition of the Board is devised in a manner to have optimal blend of expertise drawn from industry, Management and Finance.

- b. The Board comprises of Non - Executive, Executive and Independent Directors. The Board consists of 9 Directors comprising of one Non-Executive, Non independent Chairman, two Executive Directors, five Independent Directors including a Woman Director and one Nominee Director as on 31st March, 2023. No Director holds membership of more than 10 Committees of Board nor is Chairman of more than 5 such Committees.
- c. The Managing Director is not liable to retire by rotation. The other non-independent Director is the Director (Operations) liable to retire by rotation who in the normal course can seek re-appointment at the AGM. Brief resume of Directors seeking reappointment is given in the Notice of the AGM.
- d. The ceiling for being Chairman / Director / Committee member of Board of Companies stipulated under the Act or Listing Regulations are complied with, for all Directors of the Company.
- e. No Director is relative of any other Director.
- f. The age of every Director, including independent Director, is above 21 years. Shareholder approval by special resolution is obtained at the 61st Annual General Meeting for appointing or continuing the directorship of non-executive directors beyond 75 years of age.

ANNEXURE - 2 TO BOARD'S REPORT

III. Number of Board Meetings and Directors' Attendance Record

Name of Director / DIN	Date of Initial Appointment	Category	No. of Equity Shares held	Attendance at Board Meetings during 2022-23			As on 31 st March 2023 (Including HEB)			Attendance at last AGM (29.06.22)
				No. of Meetings Entitled to Attend	No. of Meetings attended	%	No. of Director-ships	Committee Membership		
								As Chairman	As Member	
Mr. N Gopalaratnam (DIN: 00001945)	06.06.1991	Promoter, Non-Executive Chairman	51000	7	7	100	5	4	3	YES
Dr. G.A. Pathanjali (DIN:05297665)	30.05.2012	Managing Director	500	7	7	100	1	-	1	YES
Mr. M Ignatius (DIN:08463140)	01.06.2019	Director (Operations)	Nil	7	7	100	1	-	-	YES
Mr. A L Somayaji (DIN:00049772)	23.03.2002	Independent	Nil	7	7	100	3	4	2	YES
Cmdr. R.P Prem Kumar (Retd.) (DIN:00049513)	08.06.2002	Independent	Nil	7	7	100	1	-	2	YES
Mr. M Natarajan (DIN:06954693)	30.09.2014	Independent	Nil	7	7	100	2	-	1	YES
Mrs. Lalitha Lakshmanan (DIN:07140032)	28.05.2016	Independent	Nil	7	7	100	1	-	3	YES
Dr. Vijayamohan K Pillai (DIN:07308120)	22.03.2019	Independent	Nil	7	6	86	1	-	-	YES
Mr. H. Nanda (DIN: 09595835) (Director upto 29.10.2022)	07.05.2022	Nominee of Life Insurance Corporation of India	Nil	4	4	100	1	-	-	YES
Mr. N. P. Sinha (DIN: 07980838) (Director from 28.01.2023)	28.01.2023	Nominee of Life Insurance Corporation of India	Nil	2	1	50	1	-	-	NA

IV. Directorship in other listed entities as on 31.03.2023

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

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



ANNEXURE - 2 TO BOARD'S REPORT

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

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

- Technology Development cum Project Management.
- Quality Standards (QR) of Advanced Strategic Defence Systems.
- Fundamental Research to Product Development.

- Design concept to Production Engineering of various Electrochemical Systems – Batteries, Fuel Cells and Flow Batteries.
- Finance, Insurance and Auditing Standards.
- Legal cum Government Regulatory norms,

Under the aegis of our Chairman, who is an accomplished industry leader with rich experience in technology and overall management.

VI. Directors Profile

SI.No.	Name of Director	Skill set, expertise and competence
1	Mr N Gopalaratnam	A technocrat with rich and varied experience in project and operational management.
2	Dr. G A Pathanjali	He has a Doctorate in Chemical Engineering from Indian Institute of Technology (IIT), Mumbai with four decades of hands - on experience in the Company. He has wide experience in design cum development activities involving Silver Zinc, Nickel Cadmium and project management. He is also a member in many committees of Energy and Power sector constituted by the Government of India.
3	Mr. M Ignatius	He is an Electrical engineer having four decades of experience in the Company involving design and development of high tech batteries and has coordinated with the Navy, Indian Air Force and Defence Research and Development Organisation (DRDO) during Battery type approval and Qualification.
4	Mr. A L Somayaji	He is a Senior Advocate and the Ex Advocate General of Tamil Nadu. He is an advisor for all legal and commercial matters of the Company.
5	Cmde. R P Prem Kumar	He has over three decades of experience in inspection and quality assurance of Naval Armaments. He has coordinated in several classified projects and Indian Defence Programmes. He is a recipient of Vishist Seva Medal (VSM).
6	Mr. M Natarajan	He is the retired Director General of DRDO and held the position of Scientific Advisor to the Defence Minister (SA to RM). He was involved in developing the state of art Main Battle Tank, MBT ARJUN. He was conferred with Padma Shree Award by the Government of India and is also a recipient of Sir C. V. Raman Birth Centenary Award.

ANNEXURE - 2 TO BOARD'S REPORT

SI.No.	Name of Director	Skill set, expertise and competence
7	Mrs. Lalitha Lakshmanan	She is the retired Chief General Manager of Canara Bank and has rich experience in Banking, Finance and Management matters.
8	Dr. Vijayamohan K Pillai	He is a leading Electrochemist in India. He has worked in several areas of electrochemical power sources and holds 27 patents in both Electrochemistry and Materials Chemistry. He served as an Outstanding Scientist and Director at Central Electrochemical Research Institute, (CSIR – CECRI) Karaikudi. Currently, he is serving as Professor/ Chair in Indian Institute of Science Education and Research (IISER), Tirupati.
9	Mr. N P Sinha	He is the Nominee of Life Insurance Corporation of India (LIC) and he was in charge of Eastern Zone of LIC and has rich experience in Insurance Field.

VII. Independent Directors

- a) The Chairman is a non-executive, non-independent Director and comes under Promoter category. The number of Independent Directors is Five (05) and is more than one-half of the total strength of Nine (09) Directors in the Board. Any reduction in the strength of Independent Directors is filled within 3 months for ensuring the presence of minimum stipulated strength of Independent Directors in the Board.
- b) The company has five Independent directors out of which 3 Independent Directors have been reappointed for a second term by way of special resolution through Postal Ballot obtained on 22.03.2019 as under:

SI No.	Name	DIN	Re-appointment tenure	
			From	To
1	Mr. A L Somayaji	00049772	01.04.2019	31.03.2024
2	Cmde. R P Prem Kumar	00049513	01.04.2019	31.03.2024
3	Mr. M Natarajan	06954693	01.04.2019	31.03.2024

- c) Pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013 read with Regulation 17 (1A) of SEBI (LODR), approval was also obtained by way of Special Resolution stated above in the case of Directors who have completed or would be crossing 75 years of age during the tenure.
- d) Mrs. Lalitha Lakshmanan (DIN: 07140032) was reappointed as Independent Director of the Company for a second term of five consecutive years w.e.f 01.04.2021 to 31.03.2026, by way of Special Resolution passed at the AGM held on 07.08.2021.
- e) Dr. Vijayamohan K Pillai (DIN: 07308120) was appointed as an Independent Director of the Company for a fixed term of five consecutive years w.e.f 03.08.2019 to 31.03.2024 by way of Special Resolution passed at the AGM held on 03.08.2019.
- f) Independent directors are issued Letter of reappointment with their consent and the terms thereof are posted on the company website.

ANNEXURE - 2 TO BOARD'S REPORT

- g) The company had formulated a familiarization programme for Independent Directors with the objective of making them familiar with their role, responsibilities, nature of the industry, business model and compliance management.

The details of the Familiarization program are available in the link https://www.highenergy.co.in/wp-content/uploads/2023/03/FP_ID.pdf.

- h) The Independent directors have renewed their registration in the databank maintained by Indian Institute of Corporate Affairs (IICA). All the independent directors are exempted from undertaking the online proficiency test conducted by IICA.
- i) All the Independent directors have given the declaration affirming that they meet the criteria of independence as provided in Section 149 (6) of the Act and have complied with relevant provisions of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
- j) In the opinion of the Board, (i) all the Independent Directors fulfill the conditions for being appointed as Independent Director as specified in the Act and Listing Regulations (ii) they possess the integrity and expertise, and have the experience required for their role as independent director of the company, (iii) the Board has taken note that all the independent directors have been issued the exemption certificate by IICA from passing the online proficiency test.
- k) No Independent Director had resigned from the directorship of the company before the

expiry of the term of appointment during the Financial Year ended 31st March, 2023.

- l) The company has proactively taken Insurance Cover for Directors and Officers, covering all independent and non-independent Directors, for such sum and risks as determined necessary and expedient by the Board.
- m) The Independent Directors met on 18.03.2023 in the Financial Year FY 2022-23 and assessed the performance of the Company and other directors and advised the board accordingly.

VIII. Board Process

- a) The Board meeting dates for the entire financial year are tentatively fixed before start of the year. An annual calendar of Board / Committee meetings is circulated to facilitate Directors plan their schedules for attending the meetings.

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

- b) Board meetings are governed by structured Agenda, containing comprehensive information and extensive details, that is circulated at least one week in advance. Urgent issues and procedural matters are at times tabled at the meeting with prior approval of Chairman and consent of all Directors present. Powerpoint presentation is made to facilitate focus on the subject, pointed attention and purposive deliberations at the meetings.
- c) The governance process includes an effective post – meeting follow – up, review of ATR (Action Taken Report) and reporting process for decisions taken pending approval of Board.

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IX. Board Meetings

During the year 2022-23, Seven (7) Board Meetings were held on 07.05.2022, 15.06.2022, 29.06.2022, 13.08.2022, 29.10.2022, 28.01.2023 and 18.03.2023. Out of this, three meetings held on 15.06.2022, 29.06.2022 and 13.08.2022 were conducted through Video Conference (VC) / Other Audio Visual Means (OAVM) duly complying with Rule 3 of the Companies (Meeting of Board and its Powers) Rule, 2014, having regard to the Covid-19 pandemic and consequent social distancing norms and four meetings held on 07.05.2022, 29.10.2022, 28.01.2023 and 18.03.2023 were conducted as Physical meeting.

(a) Audit Committee Meetings (ACM)

The Audit Committee comprises of four Independent Directors. The Chairman of the Committee is a Non Executive Independent Director. The Committee is entrusted with the responsibility of supervising the Company's internal controls and financial reporting process. The Committee met 4 times during the year on 07.05.2022, 13.08.2022, 29.10.2022 and 28.01.2023 and out of that only one meeting dated 13.08.2022 was held through Video Conference (VC) / Other Audio Visual Means (OAVM) duly complying with Rule 3 of the Companies (Meeting of Board and its Powers) Rules, 2014. Details of its composition and attendance are given hereunder: -

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

(b) Stakeholders Relationship Committee (SRC)

The role and responsibilities of the Committee 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.

The Committee comprises of 3 Directors. The Chairman of the Committee is a Non Executive Director. The Committee met 3 times during the previous year on 27.06.2022, 29.10.2022 and 24.01.2023. Out of this two meetings dated 27.06.2022 and 24.01.2023 were held through Video Conference (VC) / Other Audio Visual Means (OAVM). Details of its composition and attendance are given hereunder: -

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

(c) Nomination and Remuneration Committee (NRC)

Pursuant to Section 178 of the Companies Act, 2013, the Nomination and Remuneration-Committee comprises of 3 Non Executive Directors. The Chairman of the Committee is an Independent Director. The Nomination and 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) Determining the qualifications, positive attributes and independence of Directors.

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- c) Recommending to the Board a remuneration policy for directors, key managerial personnel of management.
- d) formulation of criteria for evaluation of Independent Directors and the Board.
- e) Identifying candidates who are qualified to become Directors and who may be appointed as KMP and senior management, in accordance with the criteria laid down and recommend to the Board regarding their appointment.

The Committee met 4 times during the previous year, on 28.04.2022, 29.10.2022, 23.01.2023 and 18.03.2023 and out of that two meetings held on 28.04.2022 and 23.01.2023 were conducted through Video Conference (VC) / Other Audio Visual Means (OAVM).

Details of its composition and attendance are given hereunder:-

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

(d) Corporate Social Responsibility (CSR)

The Company is covered under Section 135 of the Companies Act, 2013. The Company had spent ₹ 22.20 Lakhs as CSR during the FY 2022 – 2023 by way of supply of:

- (a) Desk Bench (10 Numbers) for Government Higher Secondary School, Mathur and
- (b) Construction of 2 Classrooms for Government Higher Secondary School at Avoor.

(e) Board / Committee Meetings Minutes

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

(f) Circular Resolution

Circular resolution is made in exceptional and urgent cases that are recorded at the succeeding Board/Committee Meetings. During the year, four circular resolutions were passed.

- (a) First Circular resolution was passed on 18.04.2022 for transmission of 200 Shares (bearing Folio No.003530) in the Joint Holders' name of Mr. M R Venkataraman and Mr. M R Seetharaman on the demise of the other Joint shareholder Mrs. R. Kamakshi.
- b) Second Circular resolution was passed on 21.04.2022 related to the application for obtaining Director Identification Number (DIN) for Mr. H. Nanda who replaced Mrs. Jayashree Ajit Shankar as Nominee Director in the Company. Mr. H. Nanda was appointed as Nominee Director at the Board Meeting held on 07.05.2022.
- c) Third Circular resolution was passed on 11.10.2022 for transmission of 500 Shares (bearing Folio No.002767) in the name of Mr. Arvind Moolchand Shah on the demise of the share holder Mrs. Ratanbai M Shah.
- d) Fourth Circular resolution was passed on 13.03.2023 for Transmission of 2000 shares (bearing Folio No.00001293) in the name of Mr. V. Chandrasekaran on the demise of the Shareholder Mr. A M Vasudevan.

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

and the performance evaluation of the Director(s).

2. Remuneration Policy

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

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

The policy has been uploaded in the Company's website at <https://www.highenergy.co.in/wp-content/uploads/2020/12/Nomination-and-Remuneration-Policy-1.pdf>.

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

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

- (a) Managing Director and Director (Operations) are the Executive Directors, entitled for managerial remuneration.
- (b) On the recommendation of the Nomination and Remuneration Committee, the Board in its Meeting held on 18.03.2023 approved

ANNEXURE - 2 TO BOARD'S REPORT

a commission of ₹ 36 lakhs to be paid to Managing Director for the year 2022 - 2023, in addition to the salary and perquisites. This is in compliance, as per the resolution approved by the members at the 59th Annual General Meeting held on 29.08.2020.

- (c) Based on the recommendation of the Nomination and Remuneration Committee, the Board in its Meeting held on 18.03.2023 approved the payment of commission of ₹ 21 lakhs to Director (Operations) for the year 2022-2023, in addition to the salary and perquisites. This is in compliance, as per the resolution approved by the members at the 61st Annual General Meeting held on 29.06.2022.
- (d) Based on the recommendation of the Nomination and Remuneration Committee, the Board appointed Mr. V. Anantha Subramanian as Company Secretary in its Meeting held on 29.10.2022 following the resignation of Mr. S.V. Raju.
- (e) Mr. V. Anantha Subramanian, Company Secretary and Mr. R. Swaminathan, Chief Financial Officer (CFO) are the other Key Managerial Personnel.
- (f) No Director or his relative holds an office or place of profit in the Company. Other than direct or indirect equity holding and sitting fee, there is no pecuniary relationship or transaction between the company and its non-executive directors. No Stock option has been issued by the company to executive directors.

Remuneration particulars of the directors and Key Managerial Personnel are given in Note No.37 of the financial statements.

4. Remuneration of Directors

Non-Executive Directors are paid a sitting fee of ₹ 15,000/- 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: -

(in ₹)

Director	Sitting Fee for		Total
	Board Meeting	Committee Meeting*	
Mr. N Gopalaratnam	105000	45000	150000
Mr. A L Somayaji	105000	120000	225000
Comde. R P Prem Kumar	105000	120000	225000
Mr. M Natarajan	105000	60000	165000
Mrs. Lalitha Lakshmanan	105000	165000	270000
Dr. Vijayamohanan K Pillai	90000	-	90000
Mr. H Nanda-Nominee of LIC [upto 29.10.2022]	60000	-	60000
Mr. N P Sinha-Nominee of LIC [from 28.01.2023]	15000	-	15000
Total	690000	510000	1200000
(+) Remuneration paid for the FY 2022 - 2023			1400000
Grand Total			2600000

(*) SRC, NRC and ACM.

(ii) Performance Evaluation

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

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

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

The Nomination and Remuneration Committee during the year evaluated the performance of all directors at its meeting held on 18.03.2023.

The director whose performance is being evaluated did not participate during that part of the meeting. The Committee had expressed overall satisfaction on such evaluation.

The Board at its meeting held on 18.03.2023 evaluated the performance of each of the Independent Directors (excluding the Independent Director being evaluated) and recorded its overall satisfaction and decided in terms of Para VIII (2) of Schedule IV to the Act that all the Independent Directors be continued in their respective offices.

Further the Board evaluated the functioning of each of the 2 Committees and evaluated its own performance on the basis of the criteria approved by the Nomination and Remuneration Committee.

There was no specific observation made during Board evaluation.

The Independent Directors in their exclusive meeting held on 18.03.2023

did the evaluation on the performance of Chairperson, Managing Director, non-independent directors and the Board as a whole and expressed overall satisfaction. All the independent directors were present during the meeting.

(iii) Insider Trading

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

- i. Code of Practices and Procedures for fair disclosure of Unpublished Price Sensitive Information (Reg 8); and
- ii. Minimum Standards for Code of Conduct to regulate, Monitor and report Trading by Insiders (Reg 9).

These have been intimated to the Stock Exchange on 29.04.2023 and uploaded in the company's website at <https://www.highenergy.co.in/wp-content/uploads/2023/05/ITP.pdf>.

These codes apply to all directors and designated persons. It is hereby affirmed that all directors and designated persons have complied with the codes as applicable during FY 2022 - 23 and a confirmation to this effect was obtained from each of them.

The trading window shall remain closed during the period when designated persons in terms of the Regulations can reasonably be expected to have possession of unpublished price sensitive information. In any event, the trading window shall remain closed from the end of every quarter till 48 hours after declaration of financial results. Periodic Intimation of this is given to stock exchange.

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The company is maintaining a Structured Digital Database (SDD) containing the details of persons/ entities with whom unpublished price sensitive information is shared. This database is maintained with adequate controls and checks such as time stamping and audit trails to ensure that the database cannot be tampered.

No complaint under the Insider Trading Regulations was received in FY 2022-2023.

(iv) Code of Conduct

The Board had formulated a Code of Conduct for Directors and Key Managerial Personnel of the Company which is posted in our Company website at <https://www.highenergy.co.in/wp-content/uploads/2022/05/code-of-conduct.pdf>. All the Directors and Key Management Personnel had complied with the Code and a confirmation to this effect was obtained from them individually for FY 2022-2023.

Further, the Key Managerial personnel have declared to the Board that no material, financial or commercial transactions were entered into by them during FY 2022-2023, where they have personal interest that may have a potential conflict with the interest of the Company at large.

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

(v) Related Party Transactions

The Board had formulated the policy on Related Party Transactions (RPTs) in line with Section 188 of the Companies Act, 2013. It further fixed the materiality threshold under this policy at 10% of the turnover as per the last audited Annual financial statements. Transactions with a

related party individually or taken together in a financial year crossing this 10% threshold would be material.

This policy was uploaded on the company's website at https://www.highenergy.co.in/wp-content/uploads/2019/11/Related_Party_Transaction_Policy.pdf.

(vi) Risk Management

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

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

(vii) Whistle Blower Policy

In deference to Section 177 (9) of the Act read with relevant Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, the Company has established a vigil mechanism overseen by the Audit Committee. This policy has been uploaded on the Company's website at <https://www.highenergy.co.in/wp-content/uploads/2023/05/WBP.pdf>.

No complaint under this facility was received in FY 2022-2023.

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(viii) Policy for Prevention of Sexual Harassment at Workplace

The company has in place a Policy for Prevention of Sexual Harassment at Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received on sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. This policy has been uploaded on the Company's website <https://www.highenergy.co.in/wp-content/uploads/2019/11/S.H.W.A.Policy.pdf>.

No complaint on sexual harassment was received during FY 2022-2023.

(ix) Document preservation

Pursuant to Regulation 9 of the SEBI LODR, the company has formed a policy for preservation of records. This policy covers all corporate records of the company whether in paper or digital form and applies to all departments and business functions of the company. This policy has been uploaded on the Company's website at <https://www.highenergy.co.in/wp-content/uploads/2019/11/preservation.pdf>.

(x) Other Compliances

(a) Management Discussion and Analysis

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

(b) Quarterly Financial Results

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Quarterly Financial Results are approved by the Board on the recommendations of the Audit Committee. These are filed with

Bombay Stock Exchange (BSE) through online, after the conclusion of the Board Meeting and the abstract of the results are published in leading local dailies, as required, within the stipulated time. These are also posted immediately on the company's website www.highenergy.co.in.

(c) Quarterly Compliance Report

The Company had submitted for each of the four quarters during FY 2022-2023, the Compliance Report on Corporate Governance to Stock Exchange, within the time limit stipulated, from the close of each quarter.

(d) Accounting Treatment

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

(e) Cost Audit

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

(f) Reconciliation of Share Capital

Reports/Certificates to Stock Exchange

Description	Frequency	For the Quarter ended	Furnished on
Reconciliation of Share Capital Audit Report to Stock Exchange on the total admitted Capital with NSDL/ CDSL and the total issued & Listed Capital	Quarterly	30.06.2022	16.07.2022
		30.09.2022	21.10.2022
		31.12.2022	17.01.2023
		31.03.2023	25.04.2023

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(g) Secretarial Standards & Secretarial Audit

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

Pursuant to Section 204(1) of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the company appointed Mr. B Kalyanasundaram a Practicing Company Secretary (Membership No. A672, C.P.No.2209) to undertake the secretarial audit of the company for FY 2022 -2023. The Secretarial Audit Report was placed before the Board on 29.04.2023 and there is no qualification therein, enclosed as **Annexure - 6** to Board's Report.

(h) Internal Auditor

Pursuant to Section 138(1) of the Companies Act, 2013 the company appointed M/s. R Subramanian and Company LLP (Firm Regn.No.004137S/S200041), Chennai to conduct internal audit of the functions and activities of the company for FY 2022 - 23. The Internal Auditor reports directly to the Audit Committee.

(i) Annual Secretarial Compliance Certificate

All the Listed Companies as per Regulation 24 (A) of SEBI LODR have to file Annual Compliance Certificate issued by a Practicing Company Secretary with Stock Exchanges within 60 days of the end of the financial year. The Company obtained the certificate from Mr. B. Kalyanasundaram, was filed with BSE.

(j) Certificate on "No Disqualification"

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

(k) Auditors' Certificate on Corporate Governance

Certificate of Statutory Auditors M/s. Maharaj N R Suresh And Co LLP been obtained on the compliance of conditions of Corporate Governance in deference to Para E of Schedule V of the Listing Regulations and the same is annexed as **Appendix – 3**.

(l) CEO and CFO certification

CEO certification by Dr. G A Pathanjali, Managing Director and CFO certification by Mr. R Swaminathan, Chief Financial Officer as required under Regulation 17 (8) of the Listing Regulations were placed before the Board at its meeting on 29.04.2023. The certification has been annexed as **Appendix – 4**.

(m) Review of Directors' Responsibility Statement

The Board in its Report had confirmed that the annual accounts for the year ended 31st March, 2023 has been prepared as per applicable accounting standards and policies, and that sufficient care was taken to maintain adequate accounting records.

(n) Subsidiary Companies

The Company has no subsidiary.

ANNEXURE - 2 TO BOARD'S REPORT

(o) Deposits

The company has not accepted deposits from the public.

(p) Peer review of Auditors

Regulation 33 (d) of the Listing Regulations stipulates that limited review/ audit reports shall be given only by an Auditor who has subjected himself to the Peer review process and holds a valid certificate issued by the Peer Review Board of the ICAI. The statutory auditors of the Company M/s. Maharaj N R Suresh & Co LLP have undergone the peer review process and issued requisite certificate that was placed before the Audit Committee during 20th March, 2021.

(q) Disclosures

- (i) No strictures / penalties had been imposed on the company by the Stock Exchanges or SEBI or any statutory authority on any matters related to the capital market during the last 3 years.
- (ii) No significant and material orders were passed by the Regulators, Courts or Tribunals impacting the “going concern status” and / or the company’s operations in future.

XI. Means Of Communication

(a) Intimation of Board Meeting

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

(b) Audited / Unaudited Financial Results

Period	Date of Approval by the Board	Date of Publication	Newspaper
Quarter ended 30 th June, 2022(*)	13.08.2022	15.08.2022	Business Standard and Makkal Kural
Quarter ended 30 th September, 2022(*)	29.10.2022	31.10.2022	
Quarter ended 31 st December, 2022(*)	28.01.2023	30.01.2023	
Year ended 31 st March, 2023(**)	29.04.2023	01.05.2023	

*Unaudited **Audited

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

(c) General Shareholder Information

(i) Details for 62nd AGM

Date and Time	Saturday, the 24 th June, 2023 at 11.00 A.M
Venue / Mode	Participation through Video Conference (VC)/ Other Audio Visual Means (OAVM)
Book Closure	Saturday, 17 th June, 2023 to Saturday, 24 th June, 2023
Cut-off date for e-voting	Friday, 16 th June, 2023
Dividend	₹ 3.50 per Equity Share (Proposed)
Dividend Payment Date	On or before 31.07. 2023

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(ii) Stock Exchange Details

Name & Address	BSE Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001 Ph:022-2272 1233 /2272 1234 Fax:022-2272 2082 E-mail: corp.relations@bseindia.com Web Site: www.bseindia.com
Listed from	May 1962
Stock Code	504176
Listing Fee	Paid to BSE on 25.04.2023

(iii) Dematerialisation

The Equity Shares of the Company are traded in compulsory Demat form and are available for trading under both the Depository Systems in India, namely, CDSL and NSDL. The subdivision exercise was completed and the Company obtained New International Securities Identification Number (ISIN) **INE783E01023** replacing the previous (ISIN) INE783E01015.

Shareholders were advised to convert their holdings from physical mode to Demat mode considering overall merits of the depository system and total prohibition on transfer of shares in physical mode from 01.04.2019. Transposition and Transmission are, however, exempted from this amendment. No request for Transfer of shares in physical mode was received during the FY 2022 – 2023.

The details of Dematerialised and physical holding of shares, as on 31st March, 2023:

Mode of holding	Shareholders		Equity Shares	
	No.	%	No.	%
Physical	145	1.19	1,24,715	1.39
Demat	12049	98.81	88,39,125	98.61
Total	12194	100.00	89,63,840	100.00

(iv) Registrar and Share Transfer Agent

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

For Physical and Demat Segments:

M/s. 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.

(v) Nomination facility

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

(vi) Share Transfer System

The Stakeholders Relationship Committee (SRC) of our Board, will deal and approve regular transactions in securities of small amount. Investor requests are attended to, within 15 days from the date of receipt of request. A summary of transactions will be placed in the Board Meeting.

(vii) Investor Correspondence

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

ANNEXURE - 2 TO BOARD'S REPORT

1. respective Depository Participants, in case of Demat holding
2. the Registrar & Transfer Agent, in case of physical holding

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

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

(ix) Annual 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: 91-44-24960335 / 43063545
Email: hebcnn@highenergy.co.in
Website: www.highenergy.co.in

(x) Credit Rating

Details of Credit Rating obtained from M/s. India Ratings & Research Private Limited as on March 2023, for facilities availed from Bank.

Facility	Amount (₹ Crores)	Rating	Rating Action
Long term Fund based Bank Facilities	30	IND BBB-/ Stable	Outlook revised to Positive from Stable; Affirmed

Short term Non-Fund Based Bank Facilities	45	IND A3	Affirmed
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The Positive Outlook reflects India Ratings (Ind-Ra)'s expectation that the sustained growth seen in Company's revenue over FY22-9MFY23 could continue over 4QFY23-FY24.

Ind-Ra further believes that the margins and credit metrics will remain largely strong and stable during the same period, owing to a modest recovery in exports and the receipt of new orders over the near-to-medium term. The said Credit Rating was filed with BSE on 30th March, 2023 and the same was uploaded in the Website of the Company.

(xi) Compliance Officer

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

(xii) Transaction in Shares

Powers are delegated to the Managing Director and Secretary to deal with regular transactions in securities, while other cases /issues are decided by the Stakeholders Relationship Committee (SRC). Investor requests are attended to within 7-15 days from the date of receipt.

(xiii) Compliance Certificate

A summary of such approved transactions is placed at every Board Meeting / Stakeholders Relationship Committee Meetings. The Company obtains from a Company Secretary in practice half-yearly Certificate of Compliance with the Share Transfer formalities as required under Regulation 40(9) of the Listing Regulations and files a copy of the said certificate with the Stock Exchange.

ANNEXURE - 2 TO BOARD'S REPORT

(xiv) Particulars of complaints received during FY 2022 – 23

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

(xv) Share Quotes

High/ Low in prices and volume of trading during each month during the last financial year FY 2022 – 23 are as follows: (as reported by “Bombay Stock Exchange Limited”)

Month	High	Low	Close	Volume Traded
	₹	₹	₹	No. of Shares
April 2022	1800.05	1504.40	1655.05	48658
May 2022	1698.00	1270.00	1365.30	47046
June 2022	1442.95	1210.00	1306.00	44509
July 2022	1749.00	1290.00	1671.10	83961
August 2022	2225.00	339.75*	355.10*	685979*
September 2022	359.00	312.35	326.40	241370
October 2022	339.40	277.00	284.40	153465
November 2022	367.05	281.15	318.95	231770

December 2022	345.00	293.60	320.90	200198
January 2023	387.00	308.10	372.85	244547
February 2023	382.00	285.85	343.30	287101
March 2023	355.00	291.60	321.75	258279
Total				2526883

* Shares Price after Sub-Division of Shares [₹ 2/- per Equity Share fully paid up].

(xvi) SCORES

SEBI requires all listed companies to process Investor complaints in a centralized web based complaint system called “SEBI Complaints Redressal System” (SCORES). All complaints received from shareholders of listed companies are posted in this system. Listed companies are advised to view the complaints and submit Action Taken Report (ATR) with supporting documents in SCORES.

During the year, there were no Investor complain of our company, posted on the SCORES site.

(xvii) Distribution of Shareholding as on 31.03.2023

Slab	No. of Shareholders		No. of Equity Shares	
	Total	%	Total	%
2 – 5000	11980	98.25	1558789	17.39
5001 – 10000	103	0.84	381484	4.26
10001 – 20000	58	0.48	419447	4.68
20001 – 30000	13	0.11	166521	1.86
30001 – 40000	7	0.05	128460	1.43
40001 – 50000	4	0.03	93600	1.04
50001 – 100000	11	0.09	404000	4.50
100000 – And Above	18	0.15	5811539	64.83
Total	12194	100.00	8963840	100.00

ANNEXURE - 2 TO BOARD'S REPORT

(xviii) Shareholding Pattern as on 31.03.2023

Category	No. of Share holders	Percent (%)	No. of Equity Shares	Percent (%)
		%	Total	%
Promoters	11	0.09	3677540	41.03
FIs and Banks	2	0.02	568294	6.34
Bodies Corporate	51	0.42	180859	2.02
Clearing Members	11	0.09	2058	0.02
Hindu Undivided Families	242	1.98	87740	0.98
IEPF	1	0.01	166395	1.86
NRI-Non-Promoter	187	1.53	127222	1.42
Public	11689	95.86	4153732	46.34
Total	12194	100.00	8963840	100.00

(xix) Plant Location

Factory and R & D Lab
Pakkudi Road,
Mathur Industrial Estate, Mathur 622 515,
Pudukkottai District, Tamilnadu, India
Phone: 0431- 2660323, 2660324
Email: vas@highenergyltd.com,
Website: www.highenergy.co.in

(xx) Particulars of past 3 AGMs

AGM	Year	Venue	Date	Time
59 th	2019-20	Video Conference/ Other Audio Visual Means. (Deemed venue: Registered office of the company)	29.08.2020	11.00 A.M.
60 th	2020-21		07.08.2021	11.00 A.M
61 st	2021 – 22		29.06.2022	11.00 A.M

No Extraordinary General Meeting was convened during the FY 2022-2023.

(xxi) Postal Ballot

One Postal Ballot was conducted during the FY 2022 – 23 for the approval of appointment of Mr. N P Sinha as Nominee Director of the Company.

(xxii) Dividend for 2022-2023

Dividend, if declared at the Annual General Meeting, will be paid by Monday, 31st July, 2023 to the members whose names appear on the Register of Members on Friday, 16th June, 2023 or as per their mandates. In respect of shares held in Demat mode, dividend will be paid to the beneficial owners of shares recorded with the Depositories as on that date, as per details to be furnished by NSDL / CDSL for the purpose.

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

(xxiii) Transfer of shares to IEPF

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

Individual communication had been sent to the shareholders whose shares are liable to be transferred to IEPF Suspense Account. Public Notice in respect of the same was published in Business Standard and Makkal Kural as required under the Rules.

During the FY 2022 – 23, the Company filed Form IEPF - 4 with MCA pertaining to sub-division of existing Equity Shares with face value of ₹ 10/-



ANNEXURE - 2 TO BOARD'S REPORT

(Ten) each fully paid up into five Equity Shares of face value of ₹ 2/- (Two) each fully paid up.

(xxiv) Claim from IEPF

Shareholders may however note that both the unclaimed dividend and the shares transferred to IEPF Authority's Demat Account including all benefits accruing on such shares, if any, can be claimed back from IEPF Authority after following the due process prescribed under Section 125

and other applicable provisions of the Companies Act, 2013. Shareholders are advised to contact the Registrar and Transfer Agent or the Company at its registered office for necessary guidance in this regard.

(For Board of Directors)

Chennai
29th April, 2023

N GOPALARATNAM
Chairman

ANNEXURE - 2 TO BOARD'S REPORT

Appendix - 1

DECLARATION

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

I, G. A. Pathanjali, Managing Director of High Energy Batteries (India) Limited, hereby declare and confirm that all the members of the Board of Directors and the senior management personnel of the Company have affirmed compliance with the code of conduct of Board of Directors and senior management for the FY 2022 – 2023.

Chennai
29th April 2023

G A Pathanjali
Managing Director

Appendix - 2

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

1. We have examined the relevant registers, records, forms, returns and disclosures received during the Financial Year 2022-2023 from the Directors of M/s. High Energy Batteries (India) Limited having CIN: L36999TN1961PLC004606 and having registered office at “Esvin House”, 13, Old Mahabalipuram Road, Perungudi, Chennai - 600 096 (hereinafter referred to as ‘the Company’), produced to us by the Company electronically for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. In our opinion and to the best of our information and according to the verifications of documents (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of the company, by the Securities and Exchange Board of India and/or the Registrar of Companies or such other authorities under the Ministry of Corporate Affairs, New Delhi as on 31st March, 2023

ANNEXURE - 2 TO BOARD'S REPORT

Sl No.	Name of the Director as per DIN	DIN	Date of appointment as Director in the company	Designation and remarks if any
1	MR. GOPALARATNAM NATARAJAN	00001945	06-06-1991	Chairman
2	MR. GNANA BHASKARA AGNEESWARA PATHANJALI	05297665	30-05-2012	Managing Director
3	MR. MARIA JOSEPH IGNATIUS	08463140	01-06-2019	Whole-time Director. Designated as Director (operations)
4	MR. LAKSHMINARASIMHA AYYALU SOMAYAJI	00049772	23-03-2002	Independent Director
5	MR. PALANIANDY PREMKUMAR RAJAH	00049513	08-06-2002	Independent Director
6	MR. MANTHIRAM NATARAJAN	06954693	30-09-2014	Independent Director
7	MRS. LALITHA LAKSHMANAN	07140032	28-05-2016	Independent Woman Director
8	MR. KUNJUKRISHNA PILLAI VIJAYAMOHANAN	07308120	22-03-2019	Independent Director
9	MR. NAVIN PRAKASH SINHA	07980838	28-01-2023	Nominee Director

It is the responsibility of the management of the Company to ensure the eligibility for the appointment of Directors and their continuance as Directors on the Board. Our responsibility is to express an opinion on the matter and this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For B.K. SUNDARAM & ASSOCIATES
Company Secretaries

(B.Kalyanasundaram)

Company Secretary
ACS NO. A672. CP. NO. 2209
UDIN: A000672E000203226

Place : Trichy

Date : 29th April, 2023

Peer Review Cert No.:1215/2021
ICSI Unique code: S1994TN013100

ANNEXURE - 2 TO BOARD'S REPORT

Appendix - 3

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of conditions of Corporate Governance by M/s. High Energy Batteries (India) Limited, for the year ended on March 31, 2023, as stipulated in Regulations 34(3) and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

We state that no investor grievance is pending for period exceeding one month against the Company, as per the records maintained by the Shareholders / Investors Grievance Committee.

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

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

Chartered Accountants
Firm Regn. No. 001931S/S000020

N R Suresh
Partner
Membership No. 021661
UDIN: 23021661BGXRRS8100

Place : Chennai
Date : 29th April 2023

ANNEXURE - 2 TO BOARD'S REPORT

Appendix - 4

**CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)
CERTIFICATION**

Schedule II : Part B read with Regulation 17(8) of SEBI (LODR), 2015

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

A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of our Company's affairs and are in compliance with existing accounting standards, applicable laws and regulators.

B. There are, to the best of our knowledge and belief, no transactions entered into by our Company during the year which are fraudulent, illegal or violative of our Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of our Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit Committee:

(1) Significant changes in internal control over financial reporting during the year;

(2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) Instances of significant fraud of which we have become aware and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting, are Nil.

Chennai
29th April 2023

Dr. G.A. Pathanjali
Managing Director

R Swaminathan
Chief Financial Officer

ANNEXURE - 3 TO BOARD'S REPORT

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

A. CONSERVATION OF ENERGY

Steps taken on conservation of energy:

- Timer provision for Air Conditioners and Dehumidifier.
- Switching over to LED bulbs from conventional tube lights.
- Reduction in heat loss in melting furnace by modifying internal structure.
- Modification in chiller plant (from water cooler to Air Cooler system).
- Switching over to CFL instead of Sodium Lamp for street lighting.

B. TECHNOLOGY ABSORPTION

1 Research and Development (Totally in-house)

- Development of Primary activated Reserve Type Silver Zinc Batteries for Aero Space applications.
- Design and Development of high power, Ag Zn Pile battery.
- Development and Production of PAFC & PEM Fuel Cells.
- Research work on Ternary Electro – catalyst with low Pt, for Fuel Cells.
- Design, development and Demonstration of 1kW/ 10kWh Vanadium Redox Flow Battery (VRFB).
- Development work on 2nd Life Lithium Ion Battery (LIB).
- Development of Hydrogen Electrolyser and PEM Fuel Cell.
- Development of Long Endurance Battery.

2 Benefits derived as a result of above R & D

- Elimination of imports in their respective categories.
- Saving of substantial foreign exchange outgo.

- Indigeneous availability of Batteries for strategic Defence applications, without any restriction and / or embargo.
- Export of the Developed Batteries with earning of foreign exchange.
- Up gradation of technology to match the change in requirements.
- Indigenization, Upgradation and self reliance in the critical field of batteries for strategic defense applications.
- “Make in India” and “Atmanirbhar” concepts fully implemented over four decades (Since 1979).

3 Future Plan of Action

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

4 Expenditure on R & D during the year

(₹ in lakhs)

	As At 31.03.2023	As At 31.03.2022
Capital	-	-
Recurring	103.30	80.39
Total	103.30	80.39

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 31.03.2023	As At 31.03.2022
Earnings	-	159.14
Outgo	1,190.14	793.96

(For Board of Directors)

Chennai
29th April, 2023

N GOPALARATNAM
Chairman

ANNEXURE – 4 TO BOARD’S REPORT

Annual Report on CSR Activities

(Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014)

1. Brief outline on CSR Policy of the Company.

The Corporate Social Responsibility (CSR) mandate under Section 135 became applicable to the Company from the FY 2020 – 2021, for an amount of ₹ 8.55 lakhs which was spent during FY 2021 – 22. Similarly, the amount applicable for CSR activities for FY 2021 – 22, was ₹ 21.10 Lakhs.

During FY 2022 – 23, the Company had pursued objectives in the interest of education by providing infrastructure facilities to schools nearby areas of Mathur, Pudukkottai District, Tamil Nadu.

2. The Composition of CSR Committee.

The Company is not required to constitute a Committee for CSR as the amount to be spent for CSR activities was less than ₹ 50 Lakhs for the Financial Year 2022 – 23. However, the expenditure towards CSR would exceed the said threshold limit which needs to be spent in FY 2023 – 24. Accordingly the Board had constituted the CSR committee at its meeting held on 29th April, 2023.

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

<https://www.highenergy.co.in/wp-content/uploads/2022/07/CSR-Policy.pdf>

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

The Impact Assessment is applicable for those companies having average CSR obligation of

Ten Crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

Hence the Impact Assessment is not applicable to the Company.

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

Sl. No.	Financial Year	Amount available for set – off from preceding financial years (₹ in lakhs)	Amount required to be set – off for the financial year, if any (₹ in Lakhs)
1.	2021 – 22	6.63	-

6. Average net profit of the Company as per Section 135(5): ₹ 1,033.90 lakhs for FY 2021 – 22.

7 a) Two percent of average net profit of the Company as per Section 135(5): ₹ 21.10 lakhs for FY 2021 – 22.

(b) Surplus arising out of the CSR Projects or Programmes or Activities of the previous Financial Years: ₹ 6.63 Lakhs

(c) Amount required to be set – off for the Financial Year 2022 – 23, if any: Nil

(d) Total CSR obligation for the Financial Year 2022 – 23 (7a+7b-7c): ₹ 21.10 lakhs

ANNEXURE – 4 TO BOARD'S REPORT

8.(a) CSR amount spent or unspent for the Financial Year 2022-23:

Total Amount spent for the FY 2022 - 23 (₹ in Lakhs)	Amount Unspent (₹ in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of Transfer
22.20	Nil		Nil		

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

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

Sl. No.	Description	Name of the Project	Amount spent for the project (₹.in Lakhs)	Location of the Project	Mode of Implementation Direct (Yes/No)	Mode of Implementation through	
						CSR Regn. No.	Name
1.	Promoting education	Supply of students Desk / Bench	0.58	Mathur, Pudukkotai	Yes	-	-
2.	Promoting education	Construction of two class rooms	21.62	Avoor, Pudukkotai	Yes	-	-
Total			22.20				

(d) Amount spent in Administrative Overheads: Nil

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

(f) Total amount spent for the Financial Year FY 2022– 23 (8b+8c+8d+8e): ₹ 22.20 lakhs

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

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135 (5)	21.10
(ii)	Total amount spent for the Financial Year	22.20
(iii)	Excess amount spent for the Financial Year [(ii) – (i)]	1.10
(iv)	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years, if any	6.63
(v)	Amount available for set – off in succeeding financial years [(iii) – (iv)]	7.73

9.(a) Details of Unspent CSR amount for the preceding three Financial Years: Not Applicable.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding Financial Year(s): Not Applicable.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset – wise details): Not Applicable.

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per Section 135(5): Not Applicable.

Sd/-

Chennai
29th April, 2023

G A Pathanjali
Managing Director

ANNEXURE – 5 TO BOARD’S REPORT

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

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

Sl. No.	Description		
1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year	Managing Director (MD)	2.9:1
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	Nil
		Director (Operations)	15%
		Company Secretary	-
		CFO	-
3	The percentage increase in the median remuneration of employees in the financial year	3%	
4	The number of permanent employees on the rolls of company	97	
5	Affirmation that the remuneration is as per the remuneration policy of the company	Yes. Remuneration is as per the remuneration policy of the company.	

Notes:

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

(For Board of Directors)

Chennai
29th April, 2023

N GOPALARATNAM
Chairman

ANNEXURE - 6 TO BOARD'S REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023

[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
(CIN:L36999TN1961PLC004606)
“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, (CIN: L36999TN1961PLC004606), Chennai - 600 096 (hereinafter called 'the Company').

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by 'the Company' and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023 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 2023, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder:

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

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

- (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.



ANNEXURE - 6 TO BOARD'S REPORT

- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has 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'):
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and
 - 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
UDIN:A000672E000203281
Peer Review Cert No.:1215/2021
ICSI Unique code: S1994TN013100

Place : Trichy
Date : 29-04-2023

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

ANNEXURE - 6 TO BOARD'S REPORT

**ANNEXURE TO SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st MARCH 2023
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.

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.
2. The audit was conducted in accordance with applicable Standards issued by the Institute of Company Secretaries of India. We have followed the audit practices and procedures as were appropriate to obtain reasonable
3. We have obtained the Management representation about the compliance of Laws, Rules and Regulations and occurrence of events.

FOR B.K. SUNDARAM & ASSOCIATES
COMPANY SECRETARIES

B.KALYANASUNDARAM

COMPANY SECRETARY
ACS NO. A672. CP. NO. 2209
UDIN:A000672E000203281

Peer Review Cert No.:1215/2021

ICSI Unique code: S1994TN013100

Place : Trichy
Date : 29-04-2023

MAHARAJ N R SURESH AND CO LLP

Chartered Accountants

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

Report on the audit of Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of HIGH ENERGY BATTERIES (INDIA) LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2023 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and Notes to the Financial Statements, including a summary of the Significant Accounting Policies and other explanatory information hereinafter referred to as Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the Profit (Including Other Comprehensive Income), the changes in Equity, and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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



Key Audit Matters	Response to Key Audit Matters & Conclusion
<p>1. As on 31st March 2023, the Inventories (Note no 6 carrying value Rs. 3536.97 Lakhs) are valued at lower of cost and net realizable value.</p> <p>We considered the value of Inventories as key audit matter considering the relative size of it in the financial statements.</p>	<p>We understood and tested the design and operating effectiveness of control with respect to receipt, issues, year-end physical verification, and valuation of inventories.</p> <p>We applied standard audit procedures during physical verification including recheck of the physical stock of selected items.</p> <p>We have verified the cost calculation with the relevant records.</p> <p>Based on the above audit procedures we have concluded that the management's determination of the value of Inventories is reasonable and in accordance with Ind AS 2 – Inventories.</p>
<p>2. Note No. 12 - Other current Assets - Material receivable from Customers as on 31.03.2023 Rs.700.83 Lakhs being a significant account balance we have considered this as a key audit matter</p>	<p>We have verified the Contract with Customers.</p> <p>We have tested the internal control procedures for usage of materials on customer account and receipt of Materials from Customers.</p> <p>Based on the test checks and audit procedures applied by us we are satisfied on the amount stated in the Balance Sheet.</p> <p>We have also verified the evidence for the materials received subsequently and up to the date of our report.</p>
<p>3. Note No. 7 - Trade Receivable as on 31.03.2023 is Rs.2866.15 Lakhs, is considered as a Key Audit Matter, being a significant account balance in the financial statements.</p>	<p>We have tested the internal control procedures in the areas of sales and dispatches.</p> <p>We have verified the sales amounts with the orders from customers, and documents relating to transfer of control to customers.</p> <p>We have also applied our alternate audit procedures such as verification of the internal and external evidence for dispatch of the goods for major items and subsequent bank receipts.</p> <p>Based on the audit procedures performed we are satisfied that the amount stated in the financial statements is in line with accepted accounting procedures and applicable accounting standards.</p>
<p>4. Note No. 2, 30 and 37 - Provision for Impairment of Property, Plant and Equipment of Lead Acid Battery Division(LAB) is made for Rs.195.18 Lakhs.</p>	<p>The LAB plant operations remained suspended this financial year also. The excess of carrying value of PPE (other than land) and inventories over the estimated fair value as valued by Independent Chartered Engineers, less estimated costs to sell is recognized as provision for impairment Rs. 215.16 lakhs as detailed below:</p> <p>Impairment of PPE (other than land) Rs.195.18 lakhs Inventories Rs. 19.98 lakhs.</p> <p>We have verified the valuation report obtained from the Independent valuer, the basis for the estimated cost to sell.</p> <p>Based on the audit procedures performed we are satisfied that the amount of impairment is in line with applicable accounting standards.</p>

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

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

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

We also:

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in "Annexure B" a statement on the matters specified in paragraph 3 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors as on 31st March, 2023 taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March 2023 from being appointed as a Director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. As per the information and explanation given to us, the company has no pending litigations as on 31st March 2023 which requires disclosure in its financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the company.
- iv.(a) The management has represented that, to the best of the knowledge and belief, as disclosed in the note to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities Identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 35(D)(i) to financial statements no funds have been received by the company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries ; and
- (c) Based on such audit procedures we have considered those reasonable and appropriate in the circumstances, nothing has come to the notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11 (e) contain any material mis-statement.
- v. a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act.
- b) As stated in note 13(f) to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with section 123 of the Act as applicable.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For M/s. **MAHARAJ N R SURESH AND CO LLP**
Chartered Accountants
Firm Regn. No. 001931S/S000020

N R Suresh
Partner

Membership No. 021661
UDIN:23021661BGXRRT2985

Place : Chennai
Date : April 29, 2023

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

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

We have audited the Internal Financial Controls Over Financial Reporting of **HIGH ENERGY BATTERIES (INDIA) LIMITED** (“the Company”) as of March 31, 2023 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate Internal Financial Controls with reference to the Financial statements of the company and such Internal Financial Controls with reference to the Financial statements of the company were operating effectively as at March 31, 2023, based on the Internal Control over Financial Reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by ICAI.

For M/s. **MAHARAJ N R SURESH AND CO LLP**
Chartered Accountants
Firm Regn. No. 001931S/S000020

N R Suresh
Partner
Membership No. 021661
UDIN: 23021661BGXRRT2985

Place : Chennai
Date : April 29, 2023

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

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

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

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
 - (B) The company is maintaining proper records showing full particulars of intangible assets
- (b) These Property, Plant and Equipment have been physically verified by the Management at the year end and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii) (a) The Management has conducted physical verification of inventory at reasonable intervals and in our opinion, the coverage and procedure of such verification by the management is appropriate ; No discrepancies of 10% or more were noticed.
- (b) The Company has been sanctioned working capital limits of Rs.7500 Lakhs (Both fund and non-fund based) by banks. The quarterly returns or statements filed by the company with the banks or financial are in agreement with the books of account of the Company.
- (iii) During the year the Company has not made investments in, provided any guarantee or security or granted any loans or advances, secured or unsecured, to Companies, Firms, Limited Liability Partnerships or other parties and hence reporting under this clause does not arise.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013, in respect of investments, made by the Company.
- (v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) The Central Government has prescribed maintenance of Cost Records under Sub-section (1) of Section 148 of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the central Government for the maintenance of cost records under Section 148 of the Act, and are of the opinion that prima facie, the prescribed and such accounts and records have been made and maintained.



- (vii) (a) The Company is regular in depositing undisputed Statutory dues, including Goods and Service Tax Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Duty of Customs, Cess, and any other Statutory Dues to the appropriate authorities and there were no undisputed amounts payable which were in arrears as at 31st March 2023 for a period of more than six months from the date they became payable.
 - (b) There are no dues of Goods and Services Tax, Employees Provident fund and Employees State Insurance, Income Tax or Sales Tax or Service Tax or Duty of Customs or Duty of Excise or Value Added Tax, and Cess that have not been deposited as on 31st March 2023 on account of disputes.
- (viii) There are no transactions relating to previously unrecorded income in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowing or in the payment of interest thereon to any lender;
 - (b) The Company is not declared as a wilful defaulter by any bank or financial institution or other lender;
 - (c) The company has not obtained term loans during the year. Hence, the reporting under this clause is not applicable.
 - (d) The funds raised on short term basis have not been utilised for long term purposes;
 - (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures;
 - (f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year.
 - (b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year and hence the requirements of section 42 and section 62 of the Companies Act, 2013 is not arising;
- (xi) (a) The Company has not noticed or reported during the year any fraud by the Company or any fraud on the Company.
 - (b) There is no report under sub-section (12) of section 143 of the Companies Act that has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;
 - (c) There are no complaints received during the year under whistle-blower Mechanism;
- (xii) The Company is not a Nidhi Company and hence complying with the provisions of the Nidhi Rules, 2014 does not arise.
- (xiii) All transactions with the related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Financial Statements, etc., as required by the applicable Accounting Standards.
- (xiv) The Company has an internal audit system commensurate with the size and nature of its business. We have considered the internal audit reports issued till date;

- (xv) The Company has not entered into any non-cash transactions with Directors or persons connected with him.
- (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c) The Company is not a Core Investment Company (CIC), as defined in the Regulations made by Reserve Bank of India.
- (d) We are informed there are three core Investment Companies in the group which are exempted from registration.
- (xvii) The company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no instance of any resignation of the statutory auditors occurred during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx)(a) The company has spent the minimum amount required to be spent on CSR, as stipulated in section 135 of the Companies Act and hence the transfer of unspent amount to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of section 135 of the said Act. The company does not have any ongoing projects under Section 135 (5) of the said Act.
- (b) There are no unspent amount towards Corporate Social responsibility (CSR) on ongoing projects requiring a transfer to a special account in compliance with provisions of sub section (6) of section 135 of the said act.
- (xxi) The company has no subsidiaries and therefore this clause is not applicable.

For M/s. **MAHARAJ N R SURESH AND CO LLP**
Chartered Accountants
Firm Regn. No. 001931S/S000020

N R Suresh
Partner

Place : Chennai
Date : April 29, 2023

Membership No. 021661
UDIN: 23021661BGXRRT2985

BALANCE SHEET AS AT 31st MARCH, 2023

₹ in lakhs

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
I ASSETS			
1 Non Current Assets			
a) Property Plant and Equipment	2	3775.38	3013.10
b) Intangible Assets	2(a)	14.04	6.89
c) Intangible Assets under Development	2(b)	-	3.60
d) Financial Assets			
(i) Investments	3	128.01	95.72
(ii) Other Financial Assets	4	21.76	124.39
e) Other Non Current Assets	5	4.83	32.33
		3944.02	3276.03
2 Current Assets			
a) Inventories	6	3536.97	3542.81
b) Financial Assets			
(i) Trade Receivables	7	2866.15	1969.76
(ii) Cash and Cash Equivalents	8	75.61	440.76
(iii) Bank Balances	9	105.74	33.30
(iv) Others	10	75.24	12.73
c) Current Tax Assets (Net)	11	-	6.50
d) Other Current Assets	12	848.01	558.32
		7507.72	6564.18
Total		11451.74	9840.21
EQUITY AND LIABILITIES			
II EQUITY			
a) Equity Share Capital	13	179.28	179.28
b) Other Equity	14	7168.86	5389.97
		7348.14	5569.25
III LIABILITIES			
Non Current Liabilities			
a) Deferred Tax Liabilities (Net)	15	318.66	397.55
b) Provisions	16	40.82	42.74
c) Other Non Current Liabilities	17	-	57.07
		359.48	497.36
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	18	2084.66	2452.65
ii) Trade Payables			
(A) Total outstanding dues of Small Enterprises and Micro enterprises	19	98.48	181.67
(B) Total outstanding dues of creditors other than Small Enterprises and Micro enterprises	19	173.73	229.90
iii) Other Current Liabilities	20	815.24	396.80
b) Other Current Liabilities	21	274.26	219.18
c) Provisions	22	233.13	272.13
d) Current Tax Liabilities (Net)	23	64.62	21.27
		3744.12	3773.60
Total		11451.74	9840.21

Notes to Financial Statements 1 to 43

Vide our Report of even date
For M/s. Maharaj N R Suresh and Co. LLP
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M. NATARAJAN

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N.R. SURESH
Partner
M.No: 021661
UDIN: 23021661BGXRRP1915

M. IGNATIUS
Director (Operations)

R. SWAMINATHAN
Chief Financial Officer

V.ANANTHA SUBRAMANIAN
Secretary

Chennai
29-04-2023

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2023

₹ in lakhs

S No	Particulars	Note No	Year ended 31.03.2023	Year ended 31.03.2022
I	Revenue from Operations			
	Revenue from Sale of Products	24a	9253.80	7925.74
	Other Operating Revenues	24b	29.10	29.52
II	Other Income	25	73.12	17.90
III	Total Revenue (I+II)		9356.02	7973.16
IV	Expenses			
	Cost of materials and components consumed	26	3146.77	2692.86
	Changes in Inventories of Finished Goods , Stock in Trade and Work-in-Progress	27	(85.37)	(48.24)
	Employee Benefits Expense	28	1597.30	1463.95
	Finance Cost	29	314.76	378.09
	Depreciation and Amortisation Expenses	2 & 2(a)	118.62	113.45
	Other Expenses	30	1515.18	899.15
	Total Expenses (IV)		6607.26	5499.26
V	Profit / (Loss) Before Exceptional Items and Tax (III-IV)		2748.76	2473.90
VI	Exceptional Items		-	-
VII	Profit Before Tax		2748.76	2473.90
VIII	Tax Expense	31		
	Current Tax		769.67	694.39
	Deferred Tax		(70.42)	(15.47)
	Total Tax Expense (VIII)		699.25	678.92
IX	Profit / (Loss) After Tax and Exceptional Item (VII-VIII)		2049.51	1794.98
X	Other Comprehensive Income			
	A. Items that will not be reclassified to Statement of Profit and Loss			
	(i) Remeasurement benefit of defined benefit plans		(42.46)	(210.88)
	(ii) Income tax expense on remeasurement benefit of the defined benefit plans		10.69	53.07
	(iii) Net fair value gain/(loss) on investment in equity instruments through OCI		32.29	7.37
	(iv) Income Tax Expense on gain on Fair valuation of investment in equity instruments through OCI		(2.22)	-
	Total other Comprehensive Income		(1.70)	(150.44)
	B. Items that will be reclassified to Statement of Profit and loss		-	-
	Total Comprehensive income for the period (IX + X)		2047.81	1644.54
	Earning per Equity Share (face value ₹ 2/- each)			
	Basic	38	22.86	20.02
	Diluted	38	22.86	20.02

Notes to Financial Statements 1 to 43

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH 2023

A) Equity Share Capital

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Balance at the beginning of the reporting year	179.28	179.28
Changes in Equity Share capital during the year	-	-
Balance at the end of the reporting year	179.28	179.28

B) Other Equity

₹ in lakhs

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
	Capital Redemption Reserve	Securities Premium Account	General Reserve	Retained Earnings		
Balance as on 1st April, 2021	3.00	783.35	200.00	2945.57	82.43	4014.35
Add:						
Profit for the year 2021-22	-	-	-	1794.98	-	1794.98
Net gain/(loss) on remeasurement of defined benefit plans (Net of tax)	-	-	-	(157.81)	-	(157.81)
Net gain/(loss) on fair valuation of investments in equity shares	-	-	-	-	7.37	7.37
Income Tax Expense on Fair valuation of investment in equity instruments through OCI	-	-	-	-	-	-
Less:						
Dividend for FY 2020-21	-	-	-	268.92	-	268.92
Transfer to Reserves	-	-	-	-	-	-
Balance as on 1st April, 2022	3.00	783.35	200.00	4313.82	89.80	5389.97
Add:						
Profit/(Loss) for the year 2022-23	-	-	-	2049.51	-	2049.51
Net gain/(loss) on remeasurement of defined benefit plans	-	-	-	(31.77)	-	(31.77)
Net gain/(loss) on fair valuation of investments in equity shares	-	-	-	-	32.29	32.29
Income Tax Expenses on Fair valuation of investment in equity instruments through OCI	-	-	-	-	(2.22)	(2.22)
Reductions during the year						
Dividend for FY 2021-22	-	-	-	268.92	-	268.92
Transfer to General Reserve	-	-	(1500.00)	1500.00	-	-
Balance as at 31st March, 2023	3.00	783.35	1700.00	4562.64	119.87	7168.86

Notes to Financial Statements 1 to 43

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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2023

₹ in lakhs

Description	Refer Note No.	Year Ended 31.03.2023		Year Ended 31.03.2022	
A. Cash flow from Operating Activities:					
Profit before tax			2748.76		2473.90
Adjustments for:					
Depreciation and Amortisation Expenses	2 & 2(a)	118.62		113.45	
Interest Paid	29	314.76		378.09	
Interest received	25	(8.28)		(12.60)	
Dividend	25	(1.31)		(1.31)	
Impairment of Property, Plant and Equipment	2 & 2(a)	195.18			
Loss on sale of Property, Plant and Equipment	30	0.61			
Profit on sale of Property, Plant and Equipment	25	-	619.58	(2.00)	475.63
Operating Profit before working capital changes			3368.34		2949.53
Adjustments for:					
Changes in Working Capital					
(Increase)/Decrease in Trade and Other Receivables	7	(896.39)		(146.53)	
(Increase)/Decrease in Inventories	6	5.84		(659.69)	
(Increase)/Decrease in Other Non-current assets	A	107.45		(1.55)	
(Increase)/Decrease in Other current assets	B	(394.65)		166.30	
Increase/(Decrease) in Provisions	C	(40.91)		(134.28)	
Increase/(Decrease) Other liabilities	17	(57.07)		(8.36)	
Increase/(Decrease) Trade and other payables	19 to 21	334.06	(941.67)	101.92	(682.19)
Cash generated from operations			2426.67		2267.34
Direct Tax paid net of refund			(697.15)		(658.75)
Net cash from operating activities (A)			1729.52		1608.59
B. Cash flow from Investing Activities:					
Purchase / Acquisition of Property, Plant and Equipment	2 & 2(a)		(1084.13)		(51.88)
Change in Intangible assets under development	2(b)		3.60		-
Sale of Property, Plant and Equipment			0.28		3.09
Term deposit with Bank	9		(72.34)		(29.27)
Interest received	25		8.28		12.60
Dividend received	25		1.31		1.31
Net cash used in investing activities (B)			(1143.00)		(64.15)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2023

₹ in lakhs

Description	Refer Note No.	Year Ended	
		31.03.2023	31.03.2022
C. Cash flow from Financing Activities:			
Unsecured loan repaid	18	-	(450.71)
Working Capital Loan	18	(333.77)	(372.25)
Term loan from banks Repaid	18	(34.22)	(187.22)
Dividend paid		(268.92)	(268.92)
Interest Paid			
Interest as per Statement of Profit & Loss	29	(310.10)	(343.90)
Interest on Unsecured loan paid	29	-	(26.73)
Interest on Current Tax	29	(4.66)	(7.46)
Interest on Current Tax Not Paid		-	0.21
		(314.76)	(377.88)
Net cash used in financing activities (C)		(951.67)	(1656.98)
Net increase in cash and cash equivalents (A+B+C)		(365.15)	(112.54)
Cash and cash equivalents at the beginning of the year		440.76	553.30
Cash and cash equivalents at the end of the year	8	75.61	440.76

Note forming part of Statement of Cash Flow for the Year ended 31st March 2023

₹ in lakhs

Particulars	Refer Note No.	Year Ended 31.03.2023		Year Ended 31.03.2022	
(A) (Increase)/Decrease in Other Non-current assets					
Other Financial Assets	4	102.63		3.27	
Other Non Current Assets	5	27.50		24.27	
Advance Income Tax (Net of provision) Considered Separately		(22.68)	107.45	(29.09)	(1.55)
(B) (Increase)/Decrease in Other current assets					
Current Financial Assets - Others	10	(62.51)		5.00	
Other Current Assets	12	(289.68)		161.30	
Items that will not be reclassified to Profit and Loss - Remeasurement benefit of the defined benefit plans		(42.46)	(394.65)	-	166.30
(C) Increase/(Decrease) in Provisions					
Non-Current Provision	16	(1.92)		4.24	
Current Provision	22	(38.99)		72.36	
Items that will not be reclassified to Profit and Loss - Remeasurement benefit of the defined benefit plans		-	(40.91)	(210.88)	(134.28)

- (D) Corporate Social Responsibility Expenses incurred during the year is ₹ 22.20 Lakhs (Previous year ₹ 8.55 Lakhs).
- (E) Cash and cash equivalents represent cash in hand and cash with Scheduled Banks including Term Deposit with original maturity of less than three months.
- (F) Cash from operating activities has been prepared following the indirect method.
- (G) Figures for the previous year have been re-grouped wherever necessary.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Company Overview

High Energy Batteries (India) Limited is a Public Limited Company. The Company is incorporated under The Companies Act, 1956 and is domiciled in India. Its Registered Office is located at 'Esvin House', No. 13, Old Mahabalipuram Road, Seevaram Village, Perungudi, Chennai – 600 096. The Company is a battery manufacturer with its factory located at Mathur, near Trichy. The batteries are manufactured for use in Indian Army, Navy, Air Force and Satellite Launch Vehicles and also commercial batteries for auto and standby VRLA Applications. The company's shares are listed in BSE Ltd. The Company is classified under "Medium" category since 16th May, 2021 vide MSME UDYAM Registration No. UDYAM-TN-02-0000445..

A. Significant Accounting Policies and Key Accounting Estimates and Judgements

1. Significant Accounting Policies

1.1 Statement of compliance

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

1.2 Basis of Preparation and Compliance

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS-2 inventories or value in use in Ind AS 36 – Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, as described hereunder:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 - Other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Level 3 - Unobservable inputs for the asset or liability.

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

1.3 Current / Non-Current Classification

An asset or liability is classified as current if it satisfies any of the following conditions:

- (i) the asset / liability is expected to be realized / settled in the Company's normal operating cycle;
- (ii) the asset is intended for sale or consumption;
- (iii) the asset / liability is held primarily for the purpose of trading;
- (iv) the asset / liability is expected to be realized / settled within twelve months after the reporting period;
- (v) the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;
- (vi) in the case of a liability, the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

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

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

1.4 Recent Accounting Pronouncements

Recent accounting pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, and the major amendments are as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies and also identify and eliminate immaterial accounting policies from the financial statements. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' which was absent and hitherto, and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statement.

1.5 Property, Plant and Equipment (PPE)

Property, plant and equipment are tangible items that:

- (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- (b) are expected to be used during more than one period.

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if:

- (a) it is probable that future economic benefits associated with the item will flow to the entity; and
- (b) the cost of the item can be measured reliably.

(i) An item of PPE that qualifies for recognition as an asset is measured on initial recognition at cost. Following initial recognition, PPEs are carried at its cost less accumulated depreciation and accumulated impairment losses.

(i)(a) For transition to Ind AS, the Company has elected to continue with the carrying value of all of its PPE recognized as of April 1, 2016 (transition date) measured as per the previous IGAAP as its deemed cost as on the transition date except land, which has been measured at fair value as deemed cost on the transition date.

(ii) The cost of an item of PPE comprises purchase price, taxes and duties net of input tax credit entitlement and other items directly attributable to the cost of bringing the asset to its working condition for its intended use. Trade discounts and rebates are deducted. Cost includes cost of replacing a part of a PPE if the recognition criteria are met. Expenses directly attributable to new manufacturing facility during its construction period are capitalized if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of PPE if the recognition criteria are met.

(iii) The Company identifies and determines the cost of each part of an item of PPE separately, if the part has a cost which is significant to the total cost of that item of PPE and has useful life that is materially different from that of the remaining item.

(iv) Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of PPE are capitalized at cost. Costs in nature of repairs and maintenance are recognized in the statement of Profit and Loss as and when incurred. All upgradation / enhancements are charged off as revenue expenditure unless they bring significant additional benefits. Borrowing Costs (net of interest earned on temporary investments of those borrowings) directly attributable to acquisition, construction or production of qualifying assets are capitalized as part of the cost of the assets till the asset is ready for its intended use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(v) Capital advances and capital work-in-progress

Advances given towards acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as Other Non-Current Assets. Cost of assets not ready for intended use, as on the Balance Sheet date, is shown as capital work-in-progress. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Depreciation on these assets commence when the assets are ready for their intended use.

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

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

Asset	Years
Factory Buildings	30
Fences, Walls, Tube wells	5
Buildings (other than factory buildings)	10
Plant and Equipment – Silver Zinc Plant	15
Plant and Equipment – Lead Acid Battery Plant	
Pump Motors and motorized pump stations	15
Moulds, Humidifier & Air Conditioners	10
Others	20
Computers	3
Servers	6
Furniture and Fixtures	10
Vehicles (Secondhand vehicles Based on Kilometers run maximum 12 years)	15
Office Equipment	5

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

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

1.6 Intangible assets

a. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life is reviewed annually with the effect of any changes in estimate being accounted for on a prospective basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

b. Useful lives of intangible assets

Intangible assets are amortized equally over the estimated useful life not exceeding five years.

Estimated useful life of Computer Software is five years.

1.7 De-recognition of tangible and intangible assets

An item of tangible and intangible asset is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of tangible and intangible assets is determined as the difference between the sales proceeds if any and the carrying amount of the asset and is recognized in the statement of profit or loss.

1.8 Impairment of tangible and intangible assets

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

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

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

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

1.9 Revenue Recognition

Revenue from contract with customers

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

a. Revenue Recognition

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

Transfer of control

Transfer of control happens

- a) In respect of Aerospace, Naval and power system batteries on issue of Inspection Note by the customer and delivery to the common carrier and
- b) In respect of Lead Acid Batteries when the goods are delivered to the common carrier.

Development-cum-supply contracts

- a) Revenue is recognized over a period of time based on output method and milestones achieved when the performance obligations in respect of the development work is distinct and independent from supply of goods.
- b) Revenue is recognized over a period of time under the input method and milestones achieved where developmental work and the supplies are inter-related or inter-dependent.
- c) When substantial portion of the developmental work has not been completed, the amount of expenditure incurred on the development work such as employees benefit expenses, materials and other direct expenses are carried forward as '**Work in progress**'.

Significant financing component

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

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

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

Contract Assets (Included in Trade Receivables not due):

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

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

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

Impairment of Trade Receivables

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

b. Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and using effective interest rate method.

c. Insurance Claims

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

1.10 Government grants

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

1.11 Inventories

Inventories are valued at lower of cost and net realizable value. Materials and other items intended for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. Cost includes taxes and duties, net of input tax credit entitlement. Cost of raw materials and components, stores and spares is determined on weighted average basis and includes inward freight and other direct expenses and Loose Tools are estimated to have useful life of three years and are charged to statement of profit and loss in equal installments over the useful life. Loose tools are carried at cost less amortization. Finished goods/Work-in-progress are valued at cost and cost includes material, direct labour, overheads (other than administrative overheads that do not contribute to bring the inventories to the present location and condition and selling costs) incurred in bringing the inventory to their present location and condition.

Net realizable value is the estimated selling price less estimated costs for completion and sale.

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

1.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in the Statement of profit or loss in the period in which they are incurred.

1.13 Employee Benefits

(a) Short term employee benefits

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

(b) Post-employment benefits

(i) Defined Contribution Plans

Contribution to Provident Fund (Defined Contribution Plan) as per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is recognised as expense in the Statement of Profit and Loss and remitted to the Provident Fund Commissioner. The contribution to the Superannuation Fund (Defined Contribution Plan) is recognised as expense and funded with Life Insurance Corporation of India.

(ii) Defined Benefit Plans

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

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

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

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

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

1.14 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the relevant instrument and are

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. However Trade Receivables are recognized at Transaction Price.

1.16 Financial assets

All regular purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

a. Classification of financial assets

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

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

All other financial assets are subsequently measured at fair value.

b. Effective interest method (EIR)

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL. Interest income is recognised in the Statement of profit or loss.

c. Investments in equity instruments at FVTOCI

The company has irrevocably designated to carry investment in equity instruments at Fair value through other comprehensive income. On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. On derecognition of such Financial Assets, cumulative gain or loss previously reported in OCI is not reclassified from Equity to statement of Profit and Loss. However, the company may transfer such cumulative gain or loss into retained earnings within equity.

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

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

d. Impairment of Financial Assets

In accordance with Ind AS 109, the Company uses "Expected Credit Loss" (ECL) model, for evaluating impairment of financial assets other than those measured at fair value through profit and loss (FVTPL).

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible defaults events over the life of the financial instrument).

For trade receivable, Company applies 'simplified approach' which requires expected/ lifetime losses to be recognized from initial recognition of the receivables.

For other assets, the Company uses 12 months ECL to provide for impairment loss where there is no significant increase in credit risk, if there is significant increase in credit risk full lifetime ECL is used.

e. De-recognition of Financial Assets:

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

Concomitantly, if the asset is one that is measured at

(a) Amortised cost, the gain or loss is recognized in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(b) Fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

1.17 Financial liabilities and equity instruments

a. Classification as debt or equity

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of direct issue costs.

c. Financial liabilities

All financial liabilities are initially recognized at the value of respective contractual obligations. Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

d. Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability modified, such an exchange or modification is treated as the Derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in the Statement of Profit and Loss.

1.18 Foreign Currency Transactions

a. Initial Recognition

On initial recognition, transactions in foreign currencies are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

b. Measurement of foreign currency items at reporting date

Foreign currency monetary items are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

c. Recognition of exchange difference

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements is recognized in profit or loss in the period in which they arise.

1.19 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

1.20 Taxes on Income

Taxes on income comprise of current tax and deferred tax.

a. Current tax

Current tax is the amount of income taxes payable in respect of taxable profit for a period. Taxable profit differs from 'profit before tax' as reported in the statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961.

Current tax is measured using tax rates and tax laws enacted during the reporting period together with any adjustment to tax in payable in respect of previous years.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit under Income Tax Act, 1961.

Deferred tax liabilities are recognized for all taxable temporary differences. However, in case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the accounting profit nor the taxable profit, deferred tax liabilities are not recognized.

Deferred tax assets are recognized for all deductible temporary differences to the extent it is probable that future taxable profits will be available against which those deductible temporary difference can be utilized. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognized.

Deferred Tax Assets in respect of tax carry forward of unused tax losses and unused tax credits are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefits of part or all of such deferred tax assets to be utilized.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Deferred tax assets and liabilities are measured at the tax rates that have been enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

c. Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

1.21 Events after reporting period

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size of nature are only disclosed.

1.22 Operating Segments

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the company. The CODM is responsible for allocating resource and assessing performance of the operating segments of the company. The Managing Director is identified as the CODM.

Segment accounting policies are in line with the accounting policies of the company. In addition, the specific accounting policies have been followed for segment reporting as under:

The Company has identified two business segments viz. 1. Aerospace, Naval and Power System Batteries and 2. Lead Acid Batteries. Revenue and expenses have been identified to respective segments on the basis of operating activities of the enterprise. Revenue and expenses which relate to the enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable revenue and expenses.

Segment assets and liabilities represent assets and liabilities in respective segments. Other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable assets and liabilities.

Inter segment revenue / expenditure – Not Applicable.

Geographical segment – Not Applicable.

1.23 Earnings Per Share (EPS)

Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

Key Accounting estimates and judgments

1.1 Use of Estimates

The preparation of financial statements in conformity with IndAS requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

1.2 Key sources of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key assumption concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as given below.

a. Fair value measurement and valuation processes

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

b. Useful life of Property, Plant and Equipments

The Company reviews the estimated useful life of Property, Plant and equipment at the end of each reporting period. During the current year, there has been no change in useful life considered for the assets.

c. Actuarial valuation

The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to the financial statements.

d. Impairment loss

Impairment loss is recognized based on an independent valuation and cost to sell which are estimates.

e. Claims, Provisions and Contingent Liabilities

The Company has ongoing litigations with various tax and regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note No.2 Property Plant and Equipment

₹ in lakhs

Description	Gross Carrying Value			Depreciation			Impairment *			Net Carrying Value			
	As at 01-04-2022	Additions during the year	Deletions/Adjustment	As at 31-03-2023	As at 01-04-2022	Additions during the year	Deletions/Adjustment	As at 31-03-2023	As at 01-04-2022	Additions during the year	Deletions/Adjustment	As at 31-03-2023	As at 31.03.2022
Land	1987.82	966.19	-	2954.01	-	-	-	-	-	-	-	2954.01	1987.82
Building	372.55	37.67	-	410.22	92.60	16.54	-	109.14	-	194.67	-	106.41	279.95
Plant & Equipment	1241.54	31.81	2.98	1270.37	555.80	82.28	2.10	635.98	-	-	-	634.39	685.73
Electrical Installation	26.94	-	-	26.94	20.64	0.01	-	20.65	-	-	-	6.29	6.30
Office Equipment	30.43	4.09	-	34.52	13.97	4.56	-	18.53	-	0.44	-	15.55	16.46
Computers	34.61	7.10	-	41.71	15.88	9.58	-	25.46	-	-	-	16.25	18.73
Furniture & Fixtures	4.86	1.05	-	5.91	1.15	0.43	-	1.58	-	0.07	-	4.26	3.71
Vehicles	30.92	26.11	-	57.03	16.52	2.29	-	18.81	-	-	-	38.22	14.40
TOTAL	3729.67	1074.02	2.98	4800.71	716.56	115.69	2.10	830.15	-	195.18	-	3775.38	3013.10

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

(ii) Paripassu first charge on all Land & Building, Plant & Machinery and all other immovable fixed assets of the company in favour of Banks towards working capital assistance.

(iii) * Refer Note 30 & 36 for details of Impairment.

₹ in lakhs

Description	Gross Carrying Value			Depreciation			Impairment			Net Carrying Value			
	As at 01-04-2021	Additions during the year	Deletions/Adjustment	As at 31-03-2022	As at 01-04-2021	Additions during the year	Deletions/Adjustment	As at 31-03-2022	As at 01-04-2021	Additions during the year	Deletions/Adjustment	As at 31-03-2022	As at 31.03.2021
Land	1987.82	-	-	1987.82	-	-	-	-	-	-	-	1987.82	1987.82
Building	368.09	4.46	-	372.55	76.31	16.29	-	92.60	-	-	-	279.95	291.78
Plant & Equipment	1222.29	23.41	4.16	1241.54	477.79	81.46	3.45	555.80	-	-	-	685.73	744.48
Electrical Installation	26.93	0.01	-	26.94	20.62	0.02	-	20.64	-	-	-	6.30	6.31
Office Equipment	25.91	4.52	-	30.43	10.37	3.60	-	13.97	-	-	-	16.46	15.54
Computers	28.02	6.59	-	34.61	7.94	7.94	-	15.88	-	-	-	18.73	20.08
Furniture & Fixtures	2.27	2.59	-	4.86	0.83	0.32	-	1.15	-	-	-	3.71	1.45
Vehicles	23.11	10.29	2.48	30.92	16.81	1.83	2.12	16.52	-	-	-	14.40	6.30
TOTAL	3684.44	51.87	6.64	3729.67	610.67	111.46	5.57	716.56	-	-	-	3013.10	3073.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Note No.2 (a) Intangible Assets

₹ in lakhs

Description	Gross Carrying Value		Amortisation		Net Carrying Value				
	As at 01-04-2022	Additions during the year	Deletions/Adjustment	As at 31-03-2023	As at 01-04-2022	Additions during the year	Deletions/Adjustment	As at 31-03-2023	As at 31-03-2022
Computer Software	10.60	10.10	-	20.70	3.71	2.95	-	6.66	6.89
TOTAL	10.60	10.10	-	20.70	3.71	2.95	-	6.66	6.89

Description	Gross Carrying Value		Amortisation		Net Carrying Value				
	As at 01-04-2021	Additions during the year	Deletions/Adjustment	As at 31-03-2022	As at 01-04-2021	Additions during the year	Deletions/Adjustment	As at 31-03-2022	As at 31-03-2021
Computer Software	10.60	-	-	10.60	1.72	1.99	-	3.71	8.88
TOTAL	10.60	-	-	10.60	1.72	1.99	-	3.71	8.88

Note No.2 (b) Intangible Assets under Development

₹ in lakhs

Description	Gross Carrying Value		Amortisation		Net Carrying Value				
	As at 01-04-2022	Additions during the year	Deletions/Adjustment	As at 31-03-2023	As at 01-04-2022	Additions during the year	Deletions/Adjustment	As at 31-03-2023	As at 31-03-2022
Intangible Assets under Development	3.60	-	3.60	-	-	-	-	-	3.60
TOTAL	3.60	-	3.60	-	-	-	-	-	3.60

Description	Gross Carrying Value		Amortisation		Net Carrying Value				
	As at 01-04-2021	Additions during the year	Deletions/Adjustment	As at 31-03-2022	As at 01-04-2021	Additions during the year	Deletions/Adjustment	As at 31-03-2022	As at 31-03-2021
Intangible Assets under Development	3.60	-	-	3.60	-	-	-	-	3.60
TOTAL	3.60	-	-	3.60	-	-	-	-	3.60

Intangible Assets under Development represents the cost incurred for software under development.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

3 Investments

₹ in lakhs

Particulars	No. of Shares	Face Value	As at 31.03.2023	As at 31.03.2022
Non Current Investments				
A. Investments in Equity Instruments - at Fair Value through Other Comprehensive Income				
(i) Quoted Equity Shares:				
Ponni Sugars (Erode) Limited	382	10	1.51	0.88
Seshasayee Paper and Boards Limited	51645	2	121.99	90.33
(ii) Unquoted Equity Shares:				
SPB Projects and Consultancy Limited	45000	10	4.51	4.51
GPC Technologies Limited	1500	10	-	-
Esvin Advanced Technologies Limited	830	10	-	-
Total			128.01	95.72
Aggregate amount of Quoted investments - at Cost			1.33	1.33
Aggregate amount of Quoted Investments - at Market Value			123.50	91.21
Aggregate amount of Unquoted Investments - at Cost			4.74	4.74
Aggregate amount of Impairment in Value of Investments			0.23	0.23

4 Other Financial Assets

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Fixed Deposits with original maturity for more than 12 months *	-	101.42
Deposit - Export Credit Guarantee Corporation	1.76	1.76
Security Deposit	18.24	16.82
Telephone Deposits	0.25	0.25
Deposit - Others	1.51	4.14
Total	21.76	124.39

* Deposits with banks held as a security by banks - ₹ Nil (Previous year ₹ 101.42 Lakhs).



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

5 Other Non Current Assets

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Advance Income Tax (Net of provision)	4.83	27.51
Prepaid Expenses	-	4.82
Total	4.83	32.33

6 Inventories *

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Raw Materials and Components	1723.63	1792.80
Less: Provision for Impairment	48.86	34.87
	1674.77	1757.93
Work In progress	1669.76	1726.65
Less: Provision for Impairment	32.24	19.51
	1637.52	1707.14
Finished Goods	142.26	-
Less: Provision for Impairment	-	-
	142.26	-
Stores and Spares	65.54	66.73
Less: Provision for Impairment	10.47	9.03
	55.07	57.70
Loose Tools	27.35	20.04
Less: Provision for Impairment	-	-
	27.35	20.04
Total	3536.97	3542.81
Details of Finished goods		
Aero Space, Naval and Power System Batteries	142.26	-
Lead Acid Storage Batteries	-	-
Aero Space Nickel Cadmium Batteries	-	-
Total	142.26	-

* See Note 1.11 For method of valuation.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

7 Trade Receivables

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured		
a) Considered good	2866.15	1969.76
b) With significant increase in Credit risk but considered good	-	-
c) Doubtful	-	1.77
	2866.15	1971.53
Allowance for doubtful receivables	-	1.77
Total	2866.15	1969.76

Trade Receivables ageing schedule

Particulars	Not Due	As at 31-03-2023					₹ in lakhs
		Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Considered good	2162.52	703.63	-	-	-	-	2866.15
(ii) Have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-
DISPUTED	-	-	-	-	-	-	-
(iv) Considered good	-	-	-	-	-	-	-
(v) Have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	-	-	-	-
	2162.52	703.63	-	-	-	-	2866.15
Less : Allowance for bad and doubtful debts							-
Total							2866.15

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Particulars	Not Due	As at 31-03-2022					₹ in lakhs
		Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Considered good	1756.42	181.84	31.50	-	-	-	1969.76
(ii) Have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	1.77	1.77
DISPUTED	-	-	-	-	-	-	-
(iv) Considered good	-	-	-	-	-	-	-
(v) Have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Credit impaired	-	-	-	-	-	-	-
	1756.42	181.84	31.50	-	-	1.77	1971.53
Less : Allowance for bad and doubtful debts							1.77
Total							1969.76

*Includes ₹ 20.96 Lakhs (Previous year ₹ Nil) for which 5%/10% invoice can be raised on the customer after the completion of the supplies under the contract (Contract Assets).

8 Cash and Cash Equivalents

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Cash and Cash Equivalents		
Balance with Banks	73.91	39.79
Cash in hand	1.70	1.97
In Deposit accounts with original maturity of less than 12 months	-	399.00
Cash and Cash Equivalents	75.61	440.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

9 Bank Balances other than cash and cash equivalents

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Financial Assets - Bank Balances other than Cash and cash Equivalents		
Margin money for Bank Guarantee for less than 12 months	-	32.70
Fixed Deposits with Banks *	105.25	-
Unpaid Dividend	0.49	0.60
Other Bank Balances	105.74	33.30

* Includes Deposits with banks held as a security by banks - ₹ 53.39 Lakhs (Previous year ₹ Nil)

10. Current Financial Assets - Others

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Interest Receivable	0.05	0.04
Advance to Employees	1.19	0.40
Rental Deposit	11.54	11.54
Grant Receivable - DRDO (Refer note 34(c))	62.46	-
Deposit - Others	-	0.75
Total	75.24	12.73

11. Current Tax Assets (Net)

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Advance Income Tax (Net of provision)	-	6.50
Total	-	6.50

12. Non Financial Assets - Other Current Assets

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Unsecured Considered Good		
Advances to Vendors	74.32	111.60
Prepaid Expense and Insurance	70.60	55.24
Claims Receivable	2.26	15.03
Material Receivable from Customers	700.83	376.45
Total	848.01	558.32

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

13. Share Capital

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Authorised Capital		
37500000 (31.03.2022 - 7500000) Equity Shares of ₹ 2/- each	750.00	750.00
Issued, Subscribed and Fully paid up shares		
8963840 (31.03.2022 - 1792768) Equity shares of ₹ 2/- each	179.28	179.28
Total	179.28	179.28

a) Reconciliation of Shares outstanding at the beginning and at the end of the reporting period
Equity shares

₹ in lakhs

Particulars	As at 31.03.2023		As at 31.03.2022	
	Nos.	Value (₹)	Nos.	Value (₹)
At the beginning of the year	1792768	179.28	1792768	179.28
Stock split at 5:1 during the year*	7171072	-	-	-
Outstanding at the end of the year	8963840	179.28	1792768	179.28

* The Company, during the year 2022-23, had done a Stock Split whereby the Equity Share of face value of ₹10/- each fully paid up was split in to 5 (Five) Equity Shares of face value of ₹ 2/- each fully paid up.

b) Terms / rights attached to Equity Shares:

The Equity shares of the company having par value of ₹ 2/- per share rank pari passu in all respects including voting rights, dividend entitlement and repayment of capital.

c) Details of Shareholders holding more than 5% of shares

Name of Shareholder	As at 31.03.2023		As at 31.03.2022	
	Number of Shares	Percentage holding	Number of Shares	Percentage holding
Seshasayee Paper and Boards Limited	1414555	15.78	282911	15.78
Time Square Investments (P) Limited	832220	9.28	165463	9.23
Life Insurance Corporation of India (LICI ASM NON PAR)	567794	6.33	126955	7.08
Minal Bharat Patel	572180	6.38	78023	5.46
Ponni Sugars (Erode) Limited	500000	5.58	100000	5.58



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

d) Shares held by promoters at the end of the year 31.03.2023

Promoter Name	Number of Shares	Percentage of total shares	Percentage Change during the year
Seshasayee Paper and Boards Limited	1414555	15.78	Nil
Time Square Investments (P) Limited	832220	9.28	0.05%
Ponni Sugars (Erode) Limited	500000	5.58	Nil
Synergy Investments PTE Ltd	400000	4.46	Nil
Ultra Investments and Leasing Company Pvt Ltd	351000	3.92	Nil
Dhanashree Investments Private Limited	105105	1.17	Nil
N Gopalaratnam	51000	0.57	Nil
V Shyamala W/o. R Vaidyanathan*	12500	0.14	Nil
S Sridharan	9660	0.11	Nil
D Jayaraman	1000	0.01	Nil
G A Pathanjali	500	0.01	Nil
Total	3677540	41.03	

* Approval from stock exchange for reclassification to public category is awaited.

Shares held by promoters at the end of the year 31.03.2022

Promoter Name	Number of Shares	Percentage of total shares	Percentage Change during the year
Seshasayee Paper and Boards Limited	282911	15.78	Nil
Time Square Investments (P) Limited	165463	9.23	Nil
Ponni Sugars (Erode) Limited	100000	5.58	Nil
Synergy Investments PTE Ltd	80000	4.46	Nil
Ultra Investments and Leasing Company Pvt Ltd	70200	3.91	Nil
Dhanashree Investments Private Limited	21021	1.17	Nil
N Gopalaratnam	10200	0.57	Nil
R Vaidyanathan (Deceased)	2500	0.14	Nil
S Sridharan	1932	0.11	Nil
D Jayaraman	200	0.01	Nil
G A Pathanjali	100	0.01	Nil
Total	734527	40.97	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

e) Capital Management

The Company follows conservative capital management with the objective of maximising shareholders' value. For the purpose of company capital management, capital includes issued capital and all other equity reserves attributable to the share holders of the company. The Company has been funding its growth and working capital requirements through a balanced approach of internal accruals and external debt from the banks and long term loans from companies. The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt component of the Company.

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Equity	7348.14	5569.25
Debt	2084.66	2452.65
Cash and Cash Equivalents	180.86	473.47
Net debt	1903.80	1979.18
Total Capital (Equity+ Net debt)	9251.94	7548.43
Net debt to Capital Ratio	0.21	0.26

f) Dividend

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Dividend on equity shares paid during the year	268.92	268.92
Total	268.92	268.92

Proposed Dividend

The Board of Directors at its meeting held on 29th April 2023 have recommended a payment of a dividend of ₹ 3.50/- (Three Rupees fifty paise only) per Equity Share of face value of ₹ 2/- each for the Financial Year ended 31.03.2023. The same amounts to ₹ 313.74 Lakhs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

14. Other Equity

₹ in lakhs

Particulars	Reserves and Surplus				Equity Instruments through Other Comprehensive Income	Total
	Capital Redemption Reserve	Securities Premium Account	General Reserve	Retained Earnings		
Balance as on 1st April, 2021	3.00	783.35	200.00	2945.57	82.43	4014.35
Add:						
Profit for the year 2021-22	-	-	-	1794.98	-	1794.98
Net gain/(loss) on remeasurement of defined benefit plans (Net of tax)	-	-	-	(157.81)	-	(157.81)
Net gain/(loss) on fair valuation of investments in equity shares	-	-	-	-	7.37	7.37
Dividend for FY 2020-21	-	-	-	268.92	-	268.92
Transfer to Reserves	-	-	-	-	-	-
Balance as on 1st April, 2022	3.00	783.35	200.00	4313.82	89.80	5389.97
Add:						
Profit for the year 2022-23	-	-	-	2049.51	-	2049.51
Net gain/(loss) on remeasurement of defined benefit plans (Net of tax)	-	-	-	(31.77)	-	(31.77)
Net gain/(loss) on fair valuation of investments in equity shares	-	-	-	-	32.29	32.29
Income Tax Expenses on Fair valuation of investment in equity instruments through OCI	-	-	-	-	(2.22)	(2.22)
Reductions during the year						
Dividend for FY 2021-22	-	-	-	268.92	-	268.92
Transfer to General Reserve	-	-	(1500.00)	1500.00	-	-
Balance as on 31st March, 2023	3.00	783.35	1700.00	4562.64	119.87	7168.86

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Capital Redemption Reserve

This represents the Reserves created on redemption of preference shares and can be utilized for issue of Bonus shares.

Securities Premium:

This represents the premium collected on issue of Equity shares and can be utilized for the purposes stated under Section- 52 of the Company's Act 2013.

General Reserve:

This Reserve is created from time to time by transferring profits from the retained earnings and this being a free reserve enhances the net worth of the company and is available for distribution as Bonus share / dividend.

15. Deferred Tax Liabilities/(Asset)

₹ in lakhs

Particulars	Balance as on 01.04.2022	Recognised in P&L during the year	OCI 2022-23	Balance Sheet as on 31.03.2023
Deferred Tax Liability on account of:				
Differences in WDV of PPE as per Books and Income Tax	124.17	57.91	-	66.26
Fair Value of Land adopted as deemed cost	426.67	-	-	426.67
Total Deferred Tax Liability (A)	550.84	57.91	-	492.93

Particulars	Balance as on 01.04.2022	Recognised in P&L during the year	OCI 2022-23	Balance Sheet as on 31.03.2023
Deferred Tax Asset on account of:				
Disallowances under Sec. 43B and Other Disallowances	21.59	(3.30)	-	18.29
Provision for Impairment of Inventories / Trade Receivables & others	57.92	15.81	-	73.73
Remeasurement of defined benefit plans	73.78	-	10.69	84.47
Income Tax Expense on gain on Fair valuation of investment in equity instruments through OCI	-	-	(2.22)	(2.22)
Total Deferred Tax Asset (B)	153.29	12.51	8.47	174.27
Net Deferred Tax Liability (A)-(B)	397.55	70.42	8.47	318.66

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

16. Provisions

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for Leave Benefits	40.82	42.74
Total	40.82	42.74

17. Other Non Current Liabilities

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Advances from Customers #	-	57.07
Total	-	57.07

Revenue recognised during the year from the opening advances - Refer Note No.24 a

18. Short Term Borrowings

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Secured Loans		
Working Capital Borrowings from Banks		
Loan Repayable on Demand from Banks	2084.66	2418.43
Other Loans		
Current Maturities of Covid Emergency Term Loan from Banks	-	34.22
Total	2084.66	2452.65

Working Capital Borrowings from Banks are secured by :

- a) Paripassu first charge on the entire current assets of the company, namely stocks of Raw Materials, semi finished goods, and Finished Goods, Stores and Spares not relating to Plant and Machinery (Consumable stores and spares) including book debts and mortgage and hypothecation over the land and building, plant and machinery and other immovable fixed assets of the company.
- b) Lien on Fixed Deposits (including interest) aggregating to ₹ 53.39 Lakhs (Previous year ₹ 101.42 Lakhs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

19. Trade Payables

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
a) Total Outstanding dues of micro and Small enterprises	98.48	181.67
b) Total Outstanding dues of creditors other than micro and small enterprises	173.73	229.90
Total	272.21	411.57

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
i) Principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year (but within due date as per the MSMED Act).		
a) Principal amount due to micro, small & Medium enterprise.	96.94	156.23
b) Interest due on above.	1.54	25.44
ii) Interest paid by the Company in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006.	25.44	8.66
iii) Interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	-	-
iv) Interest accrued and remaining unpaid as at year end.	1.54	25.44
v) Further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

Trade Payable ageing schedule

Particulars	Not Due	As at 31-03-2023				Total	₹ in lakhs
		Outstanding for following periods from due date of payment					
		Less than 1 year	1 - 2 Years	2- 3 Years	More than 3 years		
(i) MSME	98.48	-	-	-	-	98.48	
(ii) Others	163.69	7.58	1.38	-	1.08	173.73	
(iii) Disputed dues - MSME	-	-	-	-	-	-	
(iv) Disputed dues - Others	-	-	-	-	-	-	
TOTAL	262.17	7.58	1.38	-	1.08	272.21	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Particulars	Not Due	As at 31-03-2022				₹ in lakhs
		Outstanding for following periods from due date of payment				Total
		Less than 1 year	1 - 2 Years	2- 3 Years	More than 3 years	
(i) MSME	155.18	1.11	0.52	-	-	156.81
(ii) Others	139.49	68.50	-	1.17	20.74	229.90
(iii) Disputed dues - MSME	-	-	-	-	24.86	24.86
(iv) Disputed dues - Others	-	-	-	-	-	-
TOTAL	294.67	69.61	0.52	1.17	45.60	411.57

20. Other Financial Liabilities

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Employee benefits payable	290.46	372.63
Directors Remuneration Payable	12.60	12.60
Unpaid Dividends *	0.49	0.60
Payable for capital expenditure	500.00	-
Expenses Payable	11.69	10.97
Total	815.24	396.80

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

21. Non Financial Liability - Other Current Liabilities

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Advance received from customers #	14.40	42.69
GST Payable	198.67	153.53
Tax Deducted at Source	24.76	12.65
Other Statutory Liabilities	10.29	9.36
Grants received in Advance		
- Government (Refer Note 34)	17.56	-
- Others	7.48	-
Recoveries Payable to LIC	1.10	0.95
Total	274.26	219.18

Revenue recognised during the year from the opening advances - Refer Note No.24 a

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

22. Short Term Provisions

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for Leave Benefits	31.70	42.93
Provision for Gratuity	-	64.20
Provision for Warranty *	82.50	165.00
Provision for Liquidated Damages	118.93	-
Total	233.13	272.13

* Provision for warranty made for development order.

23. Current Tax Liabilities (Net)

₹ in lakhs

Particulars	As at 31.03.2023	As at 31.03.2022
Current Tax Liabilities	64.62	21.27
Total	64.62	21.27

24a. Revenue from Sale of Products

₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Aerospace, Naval and Power System Batteries		
Silver Zinc Batteries & Cells	8844.40	7429.23
Nickel Cadmium Cells	409.40	496.51
Total	9253.80	7925.74
Disclosures relating to Revenue from Contract with Customers		
Gross Revenue from Customers	9253.80	7926.04
Less: Liquidated Damages	-	0.30
Revenue as per Statement of Profit and Loss	9253.80	7925.74
a) Geographical Region		
Domestic	9253.80	7740.05
Export	-	185.69
Total	9253.80	7925.74
b) Type of Customers		
Government / Government Undertaking	7172.44	6043.48
Others	2081.36	1882.26
Total	9253.80	7925.74

Revenue recognised during the year from opening advances - ₹ 85.35 Lakhs (Previous year - ₹ 67.75 Lakhs)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

24b. Other Operating Revenues

₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Other Operating Revenues	29.10	29.52
	29.10	29.52

25. Other Income

₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Interest Income on Financial Assets Carried at Effective Interest Method		
- Bank Deposits	6.10	7.04
- TNEB Deposits	2.18	5.56
Dividend Income from Equity Investments measured at FVTOCI	1.31	1.31
Profit on sale of Property, Plant and Equipment	-	2.00
Exchange Difference (Net)	0.75	1.91
Government Grant *	62.46	-
Miscellaneous Income	0.32	0.08
Total	73.12	17.90

* Government Grant refer note no.34

26. Cost of Materials consumed

₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Silver	780.10	720.77
Copper	72.98	47.06
Others	833.68	752.26
Components of Various Descriptions	1460.01	1172.77
Total	3146.77	2692.86

27. Changes in Inventories of Finished Goods and Work in Progress

₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Inventory at the end of the year		
- Work in progress	1669.76	1726.65
- Finished Goods	142.26	-
	1812.02	1726.65
Inventory at the beginning of the year		
- Work in progress	1726.65	1568.20
- Finished Goods	-	110.21
	1726.65	1678.41
(Increase) / Decrease in Inventory	(85.37)	(48.24)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

28. Employee Benefits

₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Salaries, wages and Bonus	1414.20	1299.84
Contribution to Provident and Other Funds (Refer Note 1.13)	53.89	57.76
Staff welfare Expenses	129.21	106.35
Total	1597.30	1463.95

29 . Finance cost

₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Interest on Borrowings	252.12	245.24
Interest on MSME Parties	1.66	2.04
Other Borrowing cost - BG, LC Commission and Other Bank Charges	55.18	123.29
Interest on Deferment of Advance Tax	4.66	7.46
Interest on delayed payment of Statutory dues	1.14	0.06
Total	314.76	378.09

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

30. Other Expenses

₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Consumption of Stores and Spares	74.80	50.33
Power and Fuel	136.38	104.46
Repairs and Maintenance		
- Plant and Machinery	27.34	17.72
- Buildings	26.04	30.44
- Others	53.21	50.61
Selling expenses	131.58	83.32
Reversal of warranty provision	(82.50)	(19.74)
Expenditure on Scientific Research	103.30	80.39
Travelling and Conveyance	124.40	76.16
Payment to Auditors (Refer Note: 32)	22.08	17.21
Professional and Legal Charges	179.99	139.49
Testing Charges	38.19	42.93
Remuneration to Non-executive Directors	14.00	28.00
Miscellaneous Expenses	292.08	180.24
Reversal of Provision for Bad/Doubtful debts	(1.77)	-
Corporate Social Responsibility expenses	22.20	8.55
Bad Debts written off	1.77	-
Claims	9.20	-
Liquidated Damages	118.93	-
Loss on Sale of Property, Plant and Equipments	0.61	-
Provision for Non Moving Inventories	9.93	5.80
Reversal of Provision for Non Moving Inventory	(1.74)	(4.06)
Provision for impairment - Lead Acid Batteries Division		
- Inventories	19.98	7.30
- Property, Plant & Equipment	195.18	-
Total	1515.18	899.15

Expenditure on Scientific Research - Refer note no.34

31. Tax Expense

(A) The Major components of Income tax Expense for the year as under:

₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Deferred Tax comprises:		
Liability on account of depreciation	(57.91)	(7.03)
Asset - Sec 43B Disallowances and other Temporary differences	3.30	(5.74)
Others	(15.81)	(2.70)
Total Tax Expense	(70.42)	(15.47)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(B) Reconciliation of Tax expense and the accounting profit for the year is as under: ₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Applicable income tax rate in India applicable to the Company	25.17%	25.17%
Profit Before Tax	2748.76	2473.90
Tax expenses on Profit Before Tax at the Applicable income tax rate	691.81	622.63
Tax effect of the amounts which are not deductible / (not taxable) in calculating taxable income		
Tax on difference in Depreciation between Books and Income Tax	6.77	5.97
Tax on Disallowance u/s 43B (Net of earlier year disallowances allowed during the year) and other temporary Differences	63.96	62.07
Tax on Permanent Differences	7.13	3.72
Current Tax for the Year	769.67	694.39

(C) Taxes on items of OCI ₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
A Items that will not be reclassified to Statement of Profit and Loss		
(i) Income tax expense on remeasurement benefit of the defined benefit plans	10.69	53.07
(ii) Income Tax Expense on Net Fair Value Gain/(Loss) on investment in equity instruments	(2.22)	-
B Items that will be reclassified to Statement of Profit and loss	-	-
Taxes on items of OCI:	8.47	53.07

(D) Applicable Tax Rate

The company has exercised the option under Section 115BAA of the Income tax Act and the applicable tax rate is 25.17%.

32. Payment to Auditors ₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Statutory Audit Fees	12.50	10.00
Tax Representation	2.00	2.00
Certification Charges	6.30	4.60
Reimbursement of Expenses	1.28	0.61
Total	22.08	17.21

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

33. Contingent Liabilities and Commitments

₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(a) Contingent Liabilities	Nil	Nil
(b) Commitments		
(i) Estimated amount of contracts remaining to be executed on capital accounts not provided for	3.10	22.33
(ii) Silver supplied by Government secured by Bank Guarantee and is not included in Inventories	59.53	239.20
(iii) Assets controlled by customers in possession of the Company	431.65	368.88

*In view of the nature of business, commitments for purchase of materials, etc., are considered as normal business commitments and hence not disclosed.

34. Government Grant and Research & Development

₹ in lakhs

Particulars	Treatment in Accounts	Year ended 31.03.2023	Year ended 31.03.2022
(a) DRDO Development Project Grant	Included in other income (Note 25)	62.46	-
(b) Duty Draw back from Customs	Included in other operating revenue (Note 24 b)	-	6.08
Total		62.46	6.08

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
a) Expenditure		
DRDO Program	12.81	-
CHT Program	-	-
Inhouse Programs	90.49	-
Total	103.30	-
b) Asset/Liability		
Grant Receivable - Asset (Refer Note 10)	62.46	-
Grant Received in Advance - CHT - Liability	17.56	-
Grant Received in Advance - Others - Liability	7.48	-
Total Liability	25.04	-
Grand Total	87.50	-

On successful completion of the respective Program, DRDO/CHT would have the control over the assets, while the company will have the rights to exploit the technology subject to the royalty payments as applicable.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

35 (A) : Category - wise classification of Financial Instruments

₹ in lakhs

Particulars	Refer Note	Non Current		Current	
		As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Financial Assets measured at Fair Value through Other Comprehensive Income (FVTOCI)					
Investments in Quoted Equity Shares	3	123.50	91.21	-	-
Investments in Unquoted Equity Shares	3	4.51	4.51	-	-
		128.01	95.72	-	-
Financial Assets measured at amortised cost					
Others	4 & 10	21.76	124.39	75.24	12.73
Trade Receivables	7	-	-	2866.15	1969.76
Cash and Cash Equivalents	8	-	-	75.61	440.76
Other Balances with Banks	9	-	-	105.74	33.30
		21.76	124.39	3122.74	2456.55
Financial Liabilities measured at amortised cost					
Long term Borrowings	15	-	-	-	34.22
Loans repayable on demand - Cash Credit	19	-	-	2084.66	2418.43
Trade Payables	20	-	-	272.21	411.57
Unpaid/Unclaimed Dividend	21	-	-	0.49	0.60
Others	21	-	-	814.74	396.20
		-	-	3172.10	3261.02

1. The fair value of quoted investment in quoted equity shares measured at quoted price on the reporting date.
2. In case of trade receivables, cash and cash equivalents, trade payables, short term borrowings and other financial assets and liabilities it is assessed that the fair values approximate their carrying amounts largely due to the short-term maturities of these instruments.
3. The fair values of the financial assets and financial liabilities included above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.
4. Investment in equity shares are held as promoter and not held for disposal and are therefore classified as Fair value through Other Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

35 (B) : Fair value Measurements

(i) The following table provides the fair value measurement hierarchy of the Company's financial assets and liabilities:

As at 31st March, 2023

₹ in lakhs

Financial Assets / Financial Liabilities	Fair value as at 31.03.2023	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer Note 3)	123.50	123.50	-	-
Investments in unquoted equity shares - Other Entities (Refer Note 3)	4.51	-	-	4.51

As at 31st March, 2022

₹ in lakhs

Financial Assets / Financial Liabilities	Fair value as at 31.03.2022	Fair value hierarchy		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets measured at fair value through other comprehensive income				
Investments in quoted equity shares (Refer Note 3)	91.21	91.21	-	-
Investments in unquoted equity shares - Other Entities (Refer Note 3)	4.51	-	-	4.51

(ii) Financial Instrument measured at Amortised Cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

35 C Financial Risk Management - Objectives and Policies

The company's financial liabilities comprise mainly of working capital borrowings from banks, bills payable, trade payables and other payables. The company's financial asset comprises mainly cash equivalents, other balances with banks, trade receivables, other receivables and investments.

The Company has financial risk exposure in the form of market risk, credit risk and liquidity risk. The risk management policies of the Company are monitored by the Board of Directors. The present disclosure made by the Company summarizes the exposure to the financial risks.

1) Market Risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price comprises two types of risks viz., Currency risk and other price risk. The financial instruments affected by market risk include rupee term loan and loans & advance.

a) Interest Rate Risk exposure

The Company is having Working Capital facility limit of ₹ 3000 lakhs with Banks which including Bill discounting also. The interest rate is @ 10.95% UCO Bank & 10.70% Punjab National Bank depending upon the change in MCLR Rate.

Interest Rate Sensitivity analysis

The Company considering the economic environment in which it operates has determined the interest rate sensitivity analysis (interest exposure at the end of the reporting period). The interest rates for the Company are floating rate and hence the analysis in the case of Long Term Loan from Banks is prepared by re-computing the Repayment schedule for the rest of the repayment period and in the case of working capital Limit is prepared assuming the amount of the borrowings outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis points +/- 0.50% fluctuation in interest rate is used for disclosing the sensitivity analysis.

₹ in lakhs

Sensitivity Basis	Impact on Profit before tax
Interest rates - increased by 50 basis points	(15.00)
Interest rates - decreased by 50 basis points	15.00

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

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

b) Foreign currency risk exposure

The Company imports Silver Bullion, Silver Foil, Magnesium Sheets, other Raw materials and Stores and spares for which payables are denominated in foreign currency. The Company is exposed to

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

foreign currency risk on these transactions. Since the company imports materials mostly on advance payment basis, the company does not perceive major risk and accordingly they are not hedged.

In respect of batteries, exports are made against advances received or against confirmed LCs of usance period not exceeding 90 days.

2) Credit Risk

The credit risk refers to risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, bank balances, other balances with banks and other receivables.

The credit risk arising from the exposure of investing in other balances with banks and bank balances is limited and there is no collateral held against these because the counterparties are public sector banks.

The Company sells its products of Aerospace, Naval and Power System Batteries to Defence Customers where the payment terms are definite. From the Defense Organisations and Government of India, payments are all received as per the terms of the contracts. The risk is restricted to the Liquidated damages clause for delayed supplies as per the contract terms and there is no irrevocable credit loss risk.

3) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset. Liquidity risk may result from an inability to sell a financial asset quickly to meet obligations when due. The Company's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities.

The Company manages the liquidity risk by –

- (i) maintaining adequate and sufficient cash and cash equivalents including and
- (ii) Making available the funds from realizing timely maturities of financial assets to meet the obligations when due.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

35. (D) Additional Regulatory Information:

Additional Regulatory Informations required under Division II to Schedule III of Companies Act,2013

Sl. No.	Disclosure requirement as per amended Schedule III	Reason for non-disclosure
1	Title deeds of immovable property not held in the name of the company	Title deeds of all immovable properties are held in the name of the company.
2	Fair value of investment property	The company has no Investment property. Hence Not Applicable.
3	Revaluation of property, plant and Equipment	The company has not revalued the property plant and equipment. Hence Not Applicable.
4	Revaluation of intangible assets	The company has not revalued the Intangible Assets. Hence Not Applicable.
5	Loans or advances in the nature of loans are granted to Promoters, Directors, KMPs and the related parties	Nil
6	Capital work-in-progress (CWIP)	Nil
7	Intangible Assets under Development	Refer Note (v) below.
8	Details of benami property held	The company does not hold any Benami property.
9	Borrowings secured against current assets	Refer Note (ii) below.
10	Willful defaulter	The company is not declared as wilful defaulter by any bank or financial institution or other lender. Hence Not Applicable.
11	Relationship with struck off companies	The company has no transactions with any struck off company.
12	Registration of charges or satisfaction with Registrar of Companies (ROC)	There are no Charges which were not registered/satisfied with the Registrar of Companies (ROC).
13	Compliance with number of layers of Companies	The company has no subsidiary, associate and joint venture. Hence not applicable.
14	Analytical Ratios	Refer Note (iii) below.
15	Compliance with approved scheme(s) of Arrangement	No scheme of arrangements has been approved or pending for approval by the competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
16	Utilisation of borrowed funds and share Premium through intermediaries or for benefit of third party beneficiaries.	Refer Note (i) below.
17	Undisclosed income	Nil
18	Details of Crypto Currency or Virtual Currency	The company has not traded or invested in crypto currency or virtual currency.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(i) Utilisation of borrowed funds and share Premium through intermediaries or for benefit of third party beneficiaries:

- a) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company, its subsidiary, associate to or in any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company, its subsidiary, associate (Ultimate Beneficiaries).
- b) The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company, its subsidiary, associate, shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company, its subsidiary, associate (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) Borrowings secured against current assets

The Quarterly returns or statements of current assets filed by the Company with Banks in agreement with the books of account.

For the year ended 31.03.2023

₹ in lakhs

Quarter	Name of the Bank	Particulars of Security provided	Amount as per books of account	Amount as reported in the quarterly return/ statement*	Amount of difference	Reason for material discrepancies
Jun-22	UCO Bank	Current Assets	5768.08	5768.08	-	-NA-
Sep-22	UCO Bank	Current Assets	5750.30	5750.30	-	-NA-
Dec-22	UCO Bank	Current Assets	7453.51	7453.51	-	-NA-
Mar-23	UCO Bank	Current Assets	6403.12	6403.12	-	-NA-

For the year ended 31.03.2022

₹ in lakhs

Quarter	Name of the Bank	Particulars of Security provided	Amount as per books of account*	Amount as reported in the quarterly return/ statement*	Amount of difference	Reason for material discrepancies**
Sep-21	UCO Bank	Work in Progress	1920.68	1941.25	(20.57)	
Dec-21	UCO Bank	Rawmaterial & Components	1635.01	1744.79	(109.78)	
Dec-21	UCO Bank	Work in Progress	1991.37	1995.20	(3.83)	

* The amounts are reported without deducting the provision for impairment.

** The amount of difference between books and quarterly statements being less than 10% of each class of inventory, reasons are not given. However, there is no quantity difference.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(iii) Analytical Ratios

₹ in lakhs

Sl. No.	Particulars	Year ended 31.03.2023		Year ended 31.03.2022		Explanation for the change in Ratios by more than 25% from previous year
(a)	Current ratio (times) $\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{7507.72}{3744.12}$	2.01	$\frac{6564.18}{3773.60}$	1.74	
(b)	Debt-equity ratio (times) $\frac{\text{Total Debt}}{\text{Shareholder's Equity}}$ (Note : Debt includes current and non-current borrowings)	$\frac{2084.66}{7228.27}$	0.29	$\frac{2452.65}{5479.45}$	0.45	Achieving debt reduction out of internal generations.
(c)	Debt service coverage ratio (times) $\frac{\text{Earnings available for debt service}}{\text{Debt Service}}$	$\frac{2706.24}{314.76}$	8.60	$\frac{2297.62}{648.74}$	3.54	Increase in revenue and consequent higher contribution resulted in achieving a better ratio.
(d)	Return on equity ratio as (%) $\frac{\text{Net Profits after taxes – Preference Dividend}}{\text{Average Shareholder's Equity}}$	$\frac{2049.51}{6353.86}$	32.26%	$\frac{1794.98}{4795.33}$	37.43%	
(e)	Inventory turnover ratio (times) $\frac{\text{Cost of goods sold or sales}}{\text{Average Inventory}}$	$\frac{5937.57}{3539.89}$	1.68	$\frac{5028.81}{3170.38}$	1.59	
(f)	Trade receivables turnover ratio (times) $\frac{\text{Net Credit Sales}}{\text{Avg. Accounts Receivable}}$	$\frac{9253.80}{2417.96}$	3.83	$\frac{7925.74}{1896.50}$	4.18	



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Sl. No.	Particulars	Year ended 31.03.2023		Year ended 31.03.2022		Explanation for the change in Ratios by more than 25% from previous year
(g)	Trade payables turnover ratio (times)		17.35		12.91	Increase in purchase and reduction in Trade Creditors resulted in better ratio.
	$\frac{\text{Net Credit Purchases}}{\text{Average Trade Payables}}$	$\frac{5931.73}{341.89}$		$\frac{5697.54}{441.28}$		
(h)	Net capital turnover ratio (times)		2.46		2.84	
	$\frac{\text{Net Sales}}{\text{Working Capital}}$	$\frac{9253.80}{3763.60}$		$\frac{7925.74}{2790.58}$		
(i)	Net profit ratio as (%)		22.15%		22.65%	
	$\frac{\text{Net Profit}}{\text{Net Sales}}$	$\frac{2049.51}{9253.80}$		$\frac{1794.98}{7925.74}$		
(j)	Return on capital employed as (%)		31.81%		34.24%	
	$\frac{\text{Earning before interest and taxes}}{\text{Capital Employed}}$	$\frac{3063.52}{9631.59}$		$\frac{2851.99}{8329.65}$		
(k)	Return on investment as (%)		18.17%		(3.06)%	Change in Fair Value resulted in better yield.
	$\frac{\text{Income from Investments including Fair Value Change}}{\text{Investments}}$	$\frac{36.82}{1206.83}$		$\frac{(3.08)}{639.99}$		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

(iv) CORPORATE SOCIAL RESPONSIBILITY EXPENSES

₹ in lakhs

Sl. No.	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(a)	Disclosure with regard to CSR activities		
(i)	Gross amount required to be spent by the Company during the year	21.20	1.92
(ii)	Amount of expenditure incurred	-	-
	(a) Construction/acquisition of any asset	-	-
	(b) On purposes other than (i) above	22.20	8.55
(iii)	Shortfall at the end of the year	-	-
(iv)	Total of previous years shortfall	-	-
(v)	Reason for shortfall	NA	NA
(vi)	Nature of CSR activities		
	Covid-19 relief activities	-	8.55
	Promoting Education	22.20	-
(vii)	Details of related party transactions	Nil	Nil
(viii)	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA

(v) Intangible Assets under Development ageing Schedule as on 31.03.2023

₹ in lakhs

Sl. No.	Intangible Assets under Development	Amount in Intangible Assets for a period of				Total
		Less than 1 year	1-2 years	2-3 years	more than 3 years	
1	Projects in Progress	-	-	-	-	-
2	Projects temporarily suspended	-	-	-	-	-
	Total	-	-	-	-	-

There is no project whose cost exceeded the budget or there is no time over run. Hence, the relevant schedule is not given

Intangible Assets under Development ageing Schedule as on 31.03.2022

₹ in lakhs

Sl. No.	Intangible Assets under Development	Amount in Intangible Assets for a period of				Total
		Less than 1 year	1-2 years	2-3 years	more than 3 years	
1	Projects in Progress	-	-	-	3.60	3.60
2	Projects temporarily suspended	-	-	-	-	-
	Total	-	-	-	3.60	3.60

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

36 Impairment Assessment of PPE

Lead Acid Batteries Division operation continues to remain suspended. Based on valuation obtained from an Independent Chartered Engineer, impairment provision of ₹ 215.16 Lakhs is recognised in this year as detailed below:

Impairment of PPE (other than land)	₹ 195.18 Lakhs
Inventories	₹ 19.98 Lakhs

37. Information on Related party transactions as required by Ind AS 24 - Related Party Disclosure for the year ended 31st March 2023

A. Related Party as per Companies Act, 2013

Name	Relationship
Time Square Investments Private Limited	As per Sec.2(76) of Companies Act, 2013

B. Entities where Directors have significant influence

Esvi International (Engineers & Exporters) Limited
--

C. Key Managerial Personnel

	Name	Relationship
i.	Dr. G A Pathanjali	Managing Director
ii.	Mr. M Ignatius	Director (Operations)
iii.	Mr. R Swaminathan	Chief Financial Officer
iv.	Board of Directors	
	Name	Designation
	Mr. N Gopalaratnam	Chairman
	Mr. A L Somayaji	Director
	Mr. R P Prem Kumar	Director
	Mr. M Natarajan	Director
	Mrs. Lalitha Lakshmanan	Director
	Dr. Vijayamohanan K Pillai	Director
	Mr. N P Sinha	Director (Nominee of LIC)

Terms and Conditions of transactions with related parties:

The company obtained Term loan of ₹ 330 Lakhs from Time Square Investments Pvt. Ltd. and the loan was repaid in full in 2021-2022.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Loan outstanding beginning of the year	-	330.00
Loan Received during the year	-	-
Loan Settled during the year	-	330.00
Loan Outstanding	-	-
Interest for the year	-	-
Interest Payable on Inter Corporate Loans	-	-

D. Esvi International (Engineers & Exporters) Limited

₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Transaction Details		
Rent paid	5.40	5.40
Balance at the year end		
Rent Payable	-	-
Rental Deposit	3.00	3.00

(a) Remuneration to Managing Director and Key Managerial Personnel :

₹ in lakhs

Current Year 2022-23	Dr. G A Pathanjali	Mr. M Ignatius	Mr.R Swaminathan
Short term employee benefits	62.52	47.04	33.41
Post Employee benefits (Gratuity) & Long term benefits (Superannuation fund)	3.60	-	-
Contribution to provident Fund	2.88	-	0.18
Total	69.00	47.04	33.59
Previous Year 2021-22	Dr. G A Pathanjali	Mr. M Ignatius	Mr.R Swaminathan
Short term employee benefits	62.52	41.04	33.38
Post Employee benefits (Gratuity) & Long term benefits (Superannuation fund)	3.60	-	-
Contribution to provident Fund	2.88	-	0.76
Total	69.00	41.04	34.14

(b) Sitting Fees to Directors:

₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Sitting fees	12.00	9.30
Remuneration to Non-Executive Directors	14.00	28.00
Total	26.00	37.30

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

38. Earnings per Share

₹ in lakhs

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Profit after Tax	2049.51	1794.98
Weighted average no of Shares	8963840	1792768
Face value per share (₹)	2.00	10.00
Basic earnings per share (₹)	22.86	20.02
Diluted earnings per Share (₹)	22.86	20.02

Note : Earning Per Share (EPS) for current and previous periods are recalculated, as per the new Face Value of ₹ 2/- per Share, consequent to the sub-division of Equity Shares during the year.

39. Offsetting of Financial Assets and Financial Liabilities

₹ in lakhs

Particulars	Year ended 2022-23	Year ended 2021-22
Trade Payable to MSMED Vendor	-	62.09
Deposits in lien to MSMED Vendor	-	37.23
Net Liability in Sundry Creditors - MSMED	-	24.86

40. Disclosures relating to Provisions

₹ in lakhs

Particulars	Provisions for Warranties		Provision for Liquidated Damages	
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Opening Balance	165.00	184.74	-	2.00
Additions	-	-	118.93	-
Utilisations	-	-	-	-
Reversals	82.50	19.74	-	2.00
Closing Balance	82.50	165.00	118.93	-

41. Employee Benefits

(i) Defined Contribution Plans:

The Company makes Provident Fund and Superannuation Fund contributions which are defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 44.20 Lakhs (Year ended March 31, 2022 ₹ 39.20 Lakhs) for Provident Fund contributions and ₹ 3.60 Lakhs (Year ended March 31, 2022 ₹ 3.60 Lakhs) for Superannuation Fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

(ii) Defined Benefit Plans:

Gratuity (Funded)

In respect of Gratuity, Actuarial valuation of Plan Assets and the defined benefit obligation as on the reporting date carried out by an Actuary. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan and the benefit Scheme of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit through annual contributions to the funds managed by the Life Insurance Corporation of India.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

₹ in lakhs

Particulars	Post Employment Benefit - Funded plan	
	As at 31/03/2023	As at 31/03/2022
(i) Changes in Defined Benefit Obligation		
Present Value of Opening Balance	357.35	186.78
Current Service Cost	0.28	14.73
Interest Cost	21.39	10.64
Actuarial (Gain)/Loss	36.35	194.87
Benefits paid	(89.17)	(49.67)
Present Value - Closing Balance	326.20	357.35
(ii) Changes in the Fair Value of Plan Assets		
Opening Balance	293.15	207.77
Expected Return	21.40	16.46
Actuarial (gain) / loss	(6.11)	(16.02)
Contributions by employer	128.66	134.61
Benefits paid	(89.17)	(49.67)
Closing Balance	347.93	293.15
(iii) Amounts recognised in the Balance Sheet (as at year end)		
Present Value of Obligations	326.20	357.35
Fair Value of Plan Assets	347.93	293.15
Net Asset / (Liability) recognised	21.73	(64.20)
(iv) Expenses recognised in the Profit and Loss account statement		
Current Service Cost	15.31	14.73
Interest on obligation	(0.01)	(5.82)
Actuarial (Gain)/Loss recognised during the period	(15.03)	-
Total included in Employee benefit expense	0.27	8.91
(v) Expenses recognized in Other Comprehensive Income		
Remeasurement on the net defined benefit liability		
- Actuarial Gain and Losses arising from changes in demographic adjustment	-	(2.69)
- Actuarial Gain and Losses arising from changes in financial Assumption	(8.00)	12.68
- Actuarial Gain and Losses arising from changes in experience adjustment	44.35	184.88
Return on plan assets	(6.11)	(16.02)
Net cost in Other Comprehensive Income	42.46	210.88
Asset information		
- Insurer managed	100%	100%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Particulars	Post Employment Benefit - Funded plan	
	As at 31/03/2023	As at 31/03/2022
Principal actuarial assumptions		
Mortality	Indian assured Lives Mortality (2012-2014)	
Discount rate (%)	7.38%	6.84%
Future Salary increase (%)	8%	8%
Expected Rate of return of plan assets (%)	6.84%	6.57%
Expected average remaining working lives of employees (years)	9.05	9.00
Expected contribution	10.00	85.00

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset).

The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	31.03.2023	31.03.2022
Discount Rate		
- 1% Increase	13.86	18.67
- 1% Decrease	(15.11)	(20.53)
Salary Growth Rate		
- 1% Increase	14.62	17.97
- 1% Decrease	(13.67)	(16.67)

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The Company's best estimate of the contribution expected to be paid to the plan during the next year is ₹10.00 Lakhs (Previous year ₹ 85.00 Lakh).

42. Segment Reporting

Factors used to identify Reporting Segments:

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

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

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

There is no Inter-Segment transfer.

₹ in lakhs

	Particulars	Year 2022-23			Year 2021-22		
		Silver Zinc	LAB	Total	Silver Zinc	LAB	Total
A.	Segment Revenue	9282.90	-	9282.90	7955.26	-	7955.26
B.	Segment Results	3425.95	(337.19)	3088.76	2970.29	(108.80)	2861.49
C.	Specified Amounts included in Segment Results						
	(i) Depreciation	39.94	78.68	118.62	34.33	79.12	113.45

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2023

₹ in lakhs

	Particulars	Year 2022-23			Year 2021-22		
		Silver Zinc	LAB	Total	Silver Zinc	LAB	Total
D.	Reconciliation of Segment Result with Profit After Tax Segment Results	3425.95	(337.19)	3088.76	2970.29	(108.80)	2861.49
	Add/(Less):						
	Interest Income			8.28			12.60
	Finance Cost			(314.76)			(378.09)
	Dividend Received			1.31			1.31
	Income Tax Expenses			(699.25)			(678.92)
	Other Unallocable Expenses net of Unallocable Income			(34.83)			(23.41)
	Total of Unallocable Items			(1039.25)			(1066.51)
	Profit after tax as per Statement of Profit and Loss			2049.51			1794.98
E.	Other Information						
	Segment Assets	10867.97	450.93	11318.90	8957.92	759.06	9716.98
	Unallocable Assets			132.84			123.23
	Total Assets			11451.74			9840.21
	Segment Liabilities	3748.58	0.06	3748.64	3831.04	3.85	3834.89
	Unallocable Liabilities			353.16			436.07
	Total Liabilities			4101.80			4270.96
	Provision for impairment - Inventories	8.19	19.98	28.17	1.74	63.41	65.15
	Property, Plant & Equipments	-	195.18	195.18	-	-	-

F. Revenue from External Customers:

Two customers contribute to more than 10% of the revenue of Aerospace, Naval and Power Systems Segment.

Lead Acid Batteries Division operation continues to remain suspended due to unremunerative prices. There being no sales, amount relating to income are not given.

43. Authorisation for issue of Financials

The financial statements have been authorised for issue by the Board of Directors at the Board Meeting held on 29th April, 2023.

Financial Highlights – Ten Years at a Glance

₹ in Lakhs
(Except number of shares & EPS)

For the Year	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Total Income	3164.77	3281.88	2294.71	4817.86	5983.13	4675.03	6166.02	7795.41	7973.16	9356.02
Total Expenditure	3409.67	3580.24	2927.36	4154.17	4801.19	3942.26	4602.60	4771.67	5007.72	6173.88
PBIDT	(244.89)	(298.36)	(632.65)	663.69	1181.94	732.77	1563.42	3023.74	2965.44	3182.14
Finance Cost	582.38	616.91	547.85	417.40	590.27	552.58	566.35	512.49	378.09	314.76
Depreciation	150.49	153.69	122.23	132.01	128.64	123.63	115.98	112.43	113.45	118.62
Profit / (Loss) before exceptional items	-	(1068.96)	(1302.74)	114.28	463.03	56.56	881.09	2398.82	2473.90	2748.76
Exceptional items	-	639.69	242.59	-	-	-	-	-	-	-
PBT	(977.77)	(429.27)	(1060.15)	114.28	463.03	56.56	881.09	2398.82	2473.90	2748.76
Tax	(355.23)	(148.13)	(403.85)	(200.32)	134.57	12.93	320.90	565.89	678.92	699.25
PAT	(622.54)	(281.14)	(687.98)	(86.05)	328.46	43.63	560.19	1832.93	1794.98	2049.51
Other Comprehensive Income	-	-	-	52.90	12.69	(7.04)	(46.49)	(14.99)	(150.44)	(1.70)
Total Comprehensive Income	-	-	-	(33.15)	341.16	36.59	513.70	1817.94	1644.54	2047.81
EPS (₹)	(34.73)	(15.68)	(38.38)	(4.80)	18.32	2.43	31.25	102.24	100.12	22.86
Cash EPS (₹)	(26.32)	(7.11)	(31.56)	5.51	25.50	9.33	37.72	108.51	106.45	24.19
Dividend %	-	-	-	-	-	-	-	150	150	175
As at year end										
Gross Block	3638.12	3591.81	3596.08	5572.15	5601.24	5617.39	5663.12	5742.24	5779.37	6829.76
Net Block	1842.51	1655.12	1537.16	3381.23	3281.67	3174.20	3103.95	3073.76	3013.10	3775.38
Loan Funds	3744.34	3719.48	2775.20	2704.95	2592.14	2858.01	2198.68	2790.68	2452.65	2084.66
Net Worth	1212.75	915.03	227.06	1484.23	1825.39	1861.98	2375.68	4193.63	5569.25	7348.14
No of shares	1792768	1792768	1792768	1792768	1792768	1792768	1792768	1792768	1792768	* 8963840
Book Value per Share	67.65	51.04	12.67	14.56	101.82	103.86	132.51	233.92	310.65	* 81.68

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



**Standalone Solar PV Lighting using
Second Life Lithium Ion Battery**