



HIGH ENERGY BATTERIES (INDIA) LIMITED

Transcript of the Proceedings of the 61st Annual General Meeting of the Company held at 11.00 A.M. on Wednesday, the 29th June, 2022 through Video Conference (VC)/ Other Audio Visual Means (OAVM).

Welcome Address – Mr. N Gopalaratnam, Chairman

Good morning,

Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by the MCA with regard to Section 103 of Companies Act, 2013. The quorum being present, I call this meeting to order.

I now request Dr. G A Pathanjali, Managing Director of the company to provide general instructions to the members regarding participation in this meeting. Mr Pathanjali, please.

Dr G A Pathanjali, Managing Director

Good Morning to all.

- (i) Shareholders may please note that this 61st AGM is being held through Video Conference (e-AGM) in accordance with the Companies Act, 2013 and circulars issued by MCA.
- (ii) Facility for joining the meeting through Video Conference, Other Audio & Visual mode (OAVM) is made available for the shareholders on first come, first served basis. In the case of our Company, all our shareholders desiring to join the AGM would be able to do so.
- (iii) The facility for joining the meeting was opened at 10.30 A.M. which is 30 minutes before the time scheduled to start the meeting. It will be kept open for joining till the meeting is closed by the Chairman.
- (iv) The Register of directors, Key Managerial Personnel and the Register of contracts or agreements are made available electronically for inspection by the shareholders, during the AGM. Shareholders desirous of inspecting such documents may send their request to hebcnn@highenergy.co.in

- (v) This being an e-AGM, physical attendance of shareholders is dispensed with. Attendance through Video Conference would be reckoned for the purpose of quorum. Further, the facility for appointment of proxies by the shareholders is not applicable for this e-AGM. Hence, the proxy register for inspection is not available.
- (vi) The company has received requests from a few shareholders to register them as speakers at the meeting. Accordingly the floor will be open for them to ask questions or express their views. The moderator will facilitate this session once the Chairman opens the floor for the same.
- (vii) Shareholders can also post their views or questions on the 'chat box' of the Video Conference screen, at any time during the meeting. The Company would respond to them at the meeting and / or through e-mail. The Company reserves the right to limit the number of shareholders asking questions depending upon the availability of time at the AGM.
- (viii) The Company had provided Remote E-voting facility for shareholders to cast their votes electronically on all the resolutions set forth in the Notice. This was closed on 28th June 2022 at 5.00 pm. Shareholders who have not cast their vote yet through electronically and are participating in this meeting, may cast their votes during the meeting through E-voting system provided by CDSL.
- (ix) Shareholders are requested to refer to instructions provided in the AGM Notice, for seamless participation through Video Conference.
- (x) Shareholders are requested to refer to instructions provided in the AGM Notice, for seamless participation through Video Conference. In case they face any difficulty, they may reach out on the helpline contact provided in Page 10 of our Annual Report.

Thank you

Chairman: Thank you Mr. Pathanjali.

The Company has taken all feasible efforts under the current circumstances to enable members to participate through video conference and vote at the AGM. I thank all the members, colleagues on the Board and auditors for joining this meeting over video conference.

Before I go ahead with my address to the shareholders, for the benefit of the shareholder who have joined the meeting may be for the first time, I would like to play a short video presentation capturing the genesis and the growth stories of HEB over more than 4 Decades.

Video Presentation - Corporate Video Playing

[Corporate Video was then played to all the Participants]

Chairman: I hope the shareholders of the company were able to view and appreciate the efforts taken by HEB in developing a variety of batteries to meet the country's needs.

With that, I would like to deliver the customary "Chairman's Address" to the shareholders.

Chairman's Speech

Dear Shareholders,

I extend a warm welcome to all of you to this 61st Annual General Meeting of the Company.

As I had said earlier, I welcome this opportunity to reach Shareholders, far and wide, through this Video Conference mode, though I will miss the warmth and personal interaction that I enjoy during physical meetings.

The video presentation that you witnessed just now, I am sure, would have given you an insight into the history of the company's successful pursuit of differing technologies to create power sources to support and meet the country's critical energy needs.

I am indeed proud that our company and its R&D Labs., over the years are fully equipped and focused, to take on the technical and technological challenges, in pursuit of meeting the stringent and complex requirements of many of the strategic Defence related high

power, high energy batteries involving widely varying chemistries such as Silver Oxide Zinc, Nickel Cadmium, Magnesium Chloride and Cuprous Chloride. This enables the Company to design and manufacture batteries for Mission Critical platforms like Torpedoes, Fighter Aircrafts, Supersonic Missiles, Army Battle Tanks, Unmanned / Autonomous Vehicles and Satellite Launch Vehicles.

The Company is currently equipping itself to provide the needed technological solutions and Electrochemical systems, meeting the requirements of the upcoming areas like In-situ Power Generation using Hydrogen as fuel and Long-duration Energy Storage through Flow Battery, in addition to the current Battery Based Power Source, for commercial and Defence applications.

Your Company has posted, again, enviable operational and financial results and declared a dividend of 150%. I am sure the shareholders would be happy at the Company's performance in the year under review.

The Company's Annual Report and Audited Accounts for the year under review, circulated through the Electronic Media, have been with you for some time and with your kind permission, I would like to take them as read.

Economy

"World Economic Outlook" report of IMF predicts: "global growth is expected to slow significantly in 2022, largely as a consequence of the war in Ukraine. A severe double digit drop in GDP is expected in Ukraine due to war. A deep contraction is projected for Russia due to sanctions and European countries' decision to scale back energy imports. Fuel and food price increases are already having a severe global impact.

Global growth is projected to slow down from an estimated 6.1 per cent in 2021 to 3.6 percent in 2022 and 2023.

IMF's growth projections indicate that GDP of India grew by 8.2% in FY 2022, but will decelerate to 6.9% in FY 2023. This is mainly due to the prevailing high oil and food prices. There seems to be no immediate breather for India to contain its trade deficit, to reverse the fall in the Rupee and tame high inflation.

Nevertheless, India is being regarded as one of the high growth economies of the world.

According to India's Chief Economic Adviser, the Indian Economy consolidated its recovery in FY 2022 with most constituents surpassing pre-pandemic levels of activity. A positive trend in the high frequency indicators of growth during the first 2 months of Q1 of FY22-23 indicate continued expansion of Economic Activity.

Defence

Government has allocated Rs 5.258 Lakh Crores to defence sector. It also allocated 68% of capital procurement specifically ear-marked for domestic industry in 2022- 23, which will have beneficial effect on our local industry.

Further, defence R&D is opened up for Indian industrial sectors including startup and through "Atma Nirbhar" programs, many new systems are being developed with Battery playing the main role of Power Supply, to meet the requirements.

COVID 19

The company had to face sporadic lockdowns during Quarter I in 2021-22. However, the company could overcome the challenges and achieve targeted levels of production and profits.

PERFORMANCE REVIEW

The company achieved a turnover of Rs. 79.25 Crores as compared to last year turnover of Rs. 77.53 Crores and a PAT of Rs.17.95 Crores, as against Rs.18.32 crores.

Our efforts towards successful revival of Lead Acid Battery Division is yet to bear fruits.

After my address, Dr. Pathanjali will make a short presentation, reviewing last year's performance.

R &D

Your company through a joint working with IIT, Madras over the last two years, has developed a Vanadium based Flow Battery and demonstrated its performance satisfactorily. This is the first time, design cum development pertaining to "Energy Storage System" is being pursued by our Company, while hitherto our focus was mostly on Battery as Power Source for Electronics, Telemetry, Underwater Propulsion and so on.

Concurrently, proto level R&D efforts are put into Fuel Cells towards Hydrogen usage and 2nd life usage of Li Ion Packs/ Batteries. The company will be pursuing the scale- up of the systems to higher levels of Power and Energy, over the next 3 to 5 years.

DIVIDEND

As you are aware, Board of Directors have recommended payment of dividend at 150% for this year 2021-22 as well.

Sub-Division of Shares

Share holders will be happy to note that as per the request of the members in the last AGM, the Board has decided to sub-divide the shares and the resolution for the same is placed in the AGM for your approval.

Current Year (2022-23)

The company, it is hoped, will be able to maintain its financial performance this year also in view of the regular deliveries possible and a matching order position. The company is free of all inter- corporate loans. Our banking operations are at a comfortable level. With good orders on hand and orders expected during the year, the company is expected to post better results barring unforeseen circumstances.

Profit for the 1st quarter is likely to exceed previous year's. This will provide a thrust for achieving better results in other quarters as well.

Diversification

As informed in the last Annual General Meeting we still pursue R & D Programme for Li-Ion and other types of power sources like Fuel Cells and Flow Battery. Globally and in India as well, the quest for e- mobility, introduction of non-fossil fuel and Li-Ion alternatives especially with focus on Hydrogen, is on the increase and will continue to grow.

Conscious of the opportunities and the prevailing Tech – friendly situations, the company is on the lookout for proposals towards diversification, to enter the latest energy based / power related systems and Hydrogen usage activities.

Directors

On the recommendation of Nomination and Remuneration Committee, the Board of Directors had re-appointed Mr M Ignatius as Director (Operations) for a further period of 3 years.

Mr H Nanda was nominated by LIC in place of Mrs Jayashree Ajit Shankar, as Nominee Director of LIC.

Acknowledgement

I am grateful to my colleagues in the Board, who display keen interest in the affairs of the Company and whose timely advice, counsel and guidance, many a time, helped the Company to steer clear of difficult situations.

I also wish to place on record the excellent support extended to our Company by Defence Departments, DRDO, ISRO, VSSC, NSTL, RCI, ASL, BrahMos, ADE, BDL, ADA, CVRDE, Indian Army, Indian Air Force, Indian Navy, Overseas Customers, LIC and our consortium of Bankers Viz., UCO Bank and Punjab National Bank. We also thank Indian Bank and Canara Bank, for their support rendered, till the change-over.

I further wish to place on record my sincere appreciation to all the employees of the company for their continued contribution and improved performance of the company.

And to you, our Shareholders, I am deeply grateful for the confidence and trust that you have always reposed on us and solicit your continued support.

My thanks are equally due to various departments and statutory bodies of Central and State Governments.

I now move for adoption of the Board's Report, Auditors' Report and the Accounts.

I shall be glad to furnish any clarification, as may be required by the Members on the Accounts of the Company.

Thank you, "Ladies and Gentlemen" for your patient hearing.

Chairman: I now request the Managing Director, Dr G A Pathanjali to do a short presentation. He will cover a review of the Company's operational and financial performance.

Dr Pathanjali: Thank you, Chairman.

Presentation made by Dr G A Pathanjali, Managing Director:

Performance Highlights 2021-22

1. Highest Turnover (FY 2021-22):

This year we have recorded a highest Turnover of Rs 79 Crores.

2. Highest PBT:

Also leading with a good amount of PBT which is also the highest that we have done so far.

3. Dividend:

This year it has been 150% declared as dividend.

4. Outlook for 2022-2023:

The outlook that we have for the current year 2022 - 2023 is also equally good and we are striving to get into a Turnover slightly much above the current level.

5. Corporate Debts:

We are Debt free. We have paid all the Corporate Debts during this period including the Covid Loan also will get squared up. So we will be debt free and all Corporate Debts will be repaid.

6. Bank Interest Rates:

Bank Interest which is much reduced compared to what we used to have in the earlier years.

Operational Highlights

1. 330 kW program development completed.

We have got the 330kW program which is Silver Oxide Zinc pipe type construction for the DRDO application has been completed. Which we are doing in the last 2 -2 ½ years period.

2. Working on a new Silver Zinc Battery for DRDO

At presently we are working on a new Silver Zinc Battery system for the DRDO Application. Again it will be a much extended power and energy levels.

3. Order finalized for two new Battery Development

Our order position for Development includes 2 new Batteries for the underwater propulsion, Naval Application again initiated by the Government, Defence Department for Naval Application. These are all batteries of High Energy as well as High Power capability for Torpedo propulsion, heavy weight Torpedo propulsion.

4. Navy initiated One shot (Mg based) Battery

There is possibility to get into Magnesium Silver Cuprous Fluoride based Magnesium based battery for one shot primary version. This is presently at the initiation stage, since many of the parameters under specification has to be finalized. It is in the initial stage. This year we are hopeful of getting this order materialized, that will be a development order which will run over to 2-3 years period.

5. VRFB proto developed with IITM, for OECT

As indicated in the presentation we are working on the Vanadium Redox Flow Battery which the initial development of 1kW, 10kW whatever has been done satisfactorily, but more works needs to be done in terms of making it economical, scalable to the higher levels and then for industrial applications including the parametric studies. These are all the areas that we are now taking up for the next 2-3 years. We will be pursuing on these lines.

6. Working on Silver based Power Sources (mainly Defence)

We are working on Silver based power sources mainly for Defence. Again this might involve some of the advance systems like Silver Oxide Aluminum, but to get into it, we are now doing the initial R & D work on a smaller level /power pack level.

7. Development work on Flow Battery & Fuel Cell (Industrial/Commercial use) for Energy Storage

The Development work on Flow Battery as well as Fuel Cell both for energy storage and energy power generation at remote sites are on demand requirements is in the progress.

DEVELOPMENT PROGRAMME

1. Lithium Ion Battery for Drones and 2nd life

The programme that we have in the next midterm period of around 3 – 5 year period is for Drones and 2nd life usage of Lithium Ion Battery. By 2nd life we mean, it can be from a 4 wheeler application. Normally for EV application it will get limited in terms of the power output and it will be left with a residual capacity of around 90% or more. But still it will not be able to deliver the power required for that particular application in which case it can be used for the application which is not so very demanding, which is equally usable for the low power applications. So this is one area we were to concentrate and we have initiated the work and started working on that. This also will have some batteries made ready for the Drones application since Drones are catching up in a big way even compared to the Air Craft applications. So for Drones also these batteries will be much useful. This is one area we will be concentrating.

2. Hydrogen on demand (HOD) based Fuel Cells

Fuel Cells especially Hydrogen/ generation of Hydrogen is on demand and then for using it in the Fuel Cells.

3. Vanadium based Flow Battery Scale up

Vanadium based Flow battery mainly the scale up to the 10kW level and then as a 10kW modular application can be used for higher capacity both higher power levels as well as higher energy storage levels.

4. Integrated Power Source cum Energy Storage for Defence

We are also working for the integrated Power Source cum Energy Storage for Defence especially for remote areas or high altitude areas where it will be self-sufficient in the sense, the battery has the power source will be there. The power generation fuel cell will be there and the entire power / energy generated during the day time or peak hours will be stored and on demand it will be used during the sharing period. So this is the one approach. It might take this year for materializing and this is the area we are working on.

FINANCIAL HIGHLIGHTS 2021-22

1. Turn over

This year we had an increase in the turnover of around Rs 2 Crores compared to last year (i.e.) compared to 2020-21 and for 2022-23 also the position is good and we are hopeful of doing a good turnover as well as showing a better performance.

2. Profit Before Tax

In Profit Before Tax also there is an increase and it is not very substantial but certainly this year we were able to get into it because we had some set back due to Covid, availability of material and some delays in inspection etc in Q1. But not to the extent we faced last year, but that impact is seen in our performance as well.

3. Profit After Tax

The Profit Before Tax was slightly on the higher side even though Profit after tax, there is reduction. This is mainly due to the tax adjustments that has happened in the last year.

4. Interest Cost

Interest cost certainly has come down basically because we have squared up all the Corporate Loan and Covid Loan will be over by this June end. We are also getting a good interest rate from the consortium of bankers. So that is all the interest rate reduction and we are working and striving further to bring it down also.

5. Bank Borrowings

The Bank borrowings also have come down that is basically because of the availability of credit.

6. Other Liabilities

The liabilities have come down especially the sundry creditors. There is mandated payment period and we are managing a good position in terms of the liabilities.

7. Net Worth

The net worth has increased by about 4 times over the years and still we are confident that it should improve to a much higher level. Based on the performance these levels are also increasing and we are working towards putting up a much higher level of performance.

Thank you

Over to Chairman.

(Power Point Presentation appended as Annx –A to this Transcript).

Chairman: Dr Pathanjali, will you now provide a summary of the Auditors' Reports to the shareholders.

Dr G A Pathanjali: The Statutory Auditor, M/s Maharaj N R Suresh and Co and the Secretarial Auditor, M/s. B K Sundaram & Associates, have expressed unqualified opinion in their respective audit reports for the financial year 2021 – 2022. There were no qualifications, observations or adverse comments on financial statements and matters. The Statutory Auditors' report on Standalone financial statements is available on Page no. 71 - 81 of the Annual Report and the Secretarial Auditor report is enclosed as Annexure 7 to Board's Report on Page no. 68 – 70 of the Annual Report. Thank you.

Chairman: As the Notice is already been circulated to all the members, I take the Notice convening the meeting as read.

Before we proceed, I am pleased to bring to your notice that, as required under the Companies Act, 2013, the Company had provided you all the facility to cast your vote

electronically, on all resolutions set forth in the Notice. The period for 'Remote E-voting' had concluded by 5:00 PM on 28th June.

Members who have not cast their vote electronically and who are participating in this meeting will have an opportunity to cast their votes through the e-voting system provided by CDSL. Members may please note that there will be no voting by show of hands.

Let me now briefly introduce the resolutions in seriatim.

1. Item No. 1 of the Notice – Adoption of Financial Statements for the FY 2021 - 2022

The Audited Financial Statements of the Company for the financial year ended March 31, 2022 including the reports of Board of Directors and Auditors have already been provided to the members. As earlier mentioned, there is no qualification or adverse comment in Auditor's report.

2. Item No. 2 of the Notice – Declaration of Dividend for the FY 2021 - 2022

The Board of Directors has recommended payment of Dividend at Rs.15 /- Dividend (Rupees Fifteen only) per Equity Shares of Rs.10/- each for the Financial Year 2021 – 22.

3. Item No. 3 of the Notice – Re-appointment of Mr. N Gopalratnam, who retires by rotation

I may be considered as interested in this item and in case of any discussion on this subject, Mr. A L Somayaji will chair the meeting during such discussions.

4. Item No. 4 of the Notice – 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

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 this Annual General Meeting till the conclusion of the 66th Annual General Meeting.

5. Item No. 5 of the Notice - Reappointment of Mr M Ignatius as Whole Time Director

Mr M Ignatius, Whole time director designated as Director (Operations), of the company for period of 3 years with effect from 1st April 2022 to 31st March 2025 .

6. Item No. 6 of the Notice – Adoption of Articles of Association (AOA) of the Company.

Adoption of new Articles of Association of the company containing regulations in conformity with the Companies Act, 2013.

7. Item No. 7 of the Notice – Alteration of Main Object Clause of Memorandum of Association (MOA) of the Company.

8. Item No. 8 of the Notice – Subdivision of existing Equity Share face value of Rs 10/- (Ten) each fully paid into five Equity Shares of face value of Rs 2/- (Two) each fully paid up.

9. Item No. 9 of the Notice – Alteration of Capital Clause V of Memorandum of Association (MOA) of the Company.

The text of the resolutions along with an explanatory statement has been provided in the Notice circulated to the members through email.

Members who have not cast their vote through remote e - voting may cast their votes now through the e-voting system facility provided by CDSL. The platform is already open to the shareholders to cast their vote.

Nine Shareholders have registered themselves to be speakers at the Meeting. If any member, other than these 9 speaker shareholders, desires to ask any question or seek clarification may do so through using the 'chat facility' provided.

To avoid repetition, the answers to all the questions will be provided towards the end. Members may also note that the Company reserves the right to limit the number of members asking questions depending on the availability of time.

Before we go live with the Q&A, here are some points to note for the convenience of the speaker shareholders. Kindly turn on your video when you are projected on the broadcast screen. Kindly unmute yourself and proceed to ask the questions. Please mention your name, Folio Number, and the location from where you are joining.

Now I am opening the floor for Questions and Answers.

Now I request Mr. Dinesh Amrutlal Kotecha, to unmute himself and kindly proceed with the question.

Mr. Dinesh Kotecha has not yet joined, we will move on to the next speaker.

1. Mr. Santosh Kumar Saraf, Kolkata [DP and Client ID:1206780000018019]

Chairman: Mr. Saraf, how are you?

Mr. Santosh Kumar Saraf: I am starting my video. Namaskar Sir.

Chairman: Namaskar. How many AGMs have you attended so far?

Mr. Santosh Kumar Saraf: I may have attended near about 100 AGMs.

Mr. Santosh Kumar Saraf: Sir, after a long time the Company's share price has gone up. How lucky it is for us. The Dividend of 150% is also good this year. After more than five years, we are earning profits. Your leadership is good sir, for this Company and also for Seshasayee Paper and Ponni Sugars.

I have some queries to ask. What steps has the Company taken for Rain Water Harvesting? What steps have been taken for Renewable Energy? The Government has banned plastic use. What steps have been taken to replace PET bottles? What actions have been taken to handle / dispose off e waste?

I have a small request sir. I request you to increase the number of women employees in the concern. The percentage women employees is low. Women are engaged in all the fields and in all kinds of works from being the Finance Minister of India to winning gold medals at the Olympics and Para Olympics, women are capable of a lot of things. And my last question is what steps have you taken for booster dose sir, since fourth wave is approaching.

Lastly, I wish you and your family, Directors and Shareholders and their families a happy and safe year. Thank You sir, Namaskar.

Chairman: Thank you Mr. Saraf for your queries.

2. Mr. Rupesh Gulabchand Tatiya, Hyderabad [DP ID/ Client ID: 1208160014075099]

Chairman: Where are you calling from Mr. Tatiya?

Mr. Rupesh Gulabchand Tatiya: I am calling from Hyderabad. Thank you so much for the opportunity sir, I have a few questions.

1. There is a company based in Hyderabad, Hyderabad Batteries Limited (HBL). They are entering into Silver Zinc Battery for Defence applications. They are large players compared to us. So how does management see the competitive landscape changing and would we be able to defend our market share and our margin.
2. We have been struggling on the Lead Acid Battery for last many years. The main reasons for this and do you see any thought turn around in this segment.
3. We were very happy to see you have been able to successfully develop Torpedo, Heavy Weight and other applications in Torpedo using Silver Zinc Electro Chemistry and I think the production was going to start effecting in FY 2022, but may be some sort of delay. So if you can update progress on this Torpedo batteries, what kind of order book for our company that would be very helpful.
4. I noticed in our presentation that you have not talked about Nickel Cadmium Batteries at all. We did revenue of Rs 5 Crores in FY 2022. There is no mention of that batteries. Based on my understanding these Nickel Cadmium Batteries has applications in Defence, Data Centre, Air Crafts. We have been tracking some companies who make Nickel Cadmium Batteries in the world. How do you see this segment evolving for us in the medium term. Do you see this segment going to be Rs 30-40 Crores in next 5 years.
5. Most of our business is B-G; Business to Government or PSU companies. Generally the issue with PSU or Government is it requires high working capital. Is there anything we can do to improve our Working Capital.

It is generally better for business in long term to develop commercial and industrial business, export business. What is our direction of plan in this segment. How do you see a Diversification away from Government Business. For example, HBL does a lot of Non Government business.
6. On the Lithium-Ion Side, you have said that you are working on the 2nd life application of Lithium-Ion and some application on defence side. Globally there is a company called Saft Batteries. They are the leader in this segment and we see there are lot of

applications of Lithium-ion in the Defence segment. So how are we working on the segment and how are we working on the development of these segments.

7. The kind of management, kind of R & D projects, R & D capabilities and the kind of history we have Rs 80 Crores of topline that seems little bit less for our company. We have Calibre , R & D Calibre. Is growth constrained because there is no opportunity or there is lack of capital. What is the issue or if there and if there is no issue can we get to Rs 200 Crores kind of Pipeline in 5 years.
8. There was one credit report that was released in December by India Ratings. In that Credit report it was said that the order book was Rs 160 Crores on October 2021. Then in Annual Report in 2022 we see the order book is Rs 80 Crores. Revenue is not Rs 80 Crores for those II quarters. What happened. Is there same mistake in credit report or did we lose any business.

Mr. Rupesh Gulabchand Tatiya : Thank you so much for the opportunity.

3. Mr. Nikhil Upadhyay ,Mumbai [DP ID/ Client ID: IN30051313742799]

Chairma : Good Morning Mr. Upadhyay. How are you and where are you calling from?

Mr. Nikhil Upadhyay: I am calling from Mumbai. I am good and thanks for the wishes. I hope the whole team HEB is doing good and safe from Covid.

Chairman: We are find and safe. I have received all your queries. I will cover them at the end of the session.

Mr. Nikhil Upadhyay: Just one thing sir. I think we had a very good detailed Video presentation and MD sir also gave a very good presentation. I will give compliments to the company for such a detailed work and good things which you are providing so the investors can understand the company a lot better. So thanks for that.

Chairman: Are you attending the AGM for the first time?

Mr. Nikhil Upadhyay :Yes sir I am attending for the first time. But I went to your transcripts of the last two years AGM to get a understanding of the company. So I will not repeat my questions.

Chairman: I will cover your questions in the later part.

4. Ms. Yachna Bhatia , Hyderabad [DP ID/ Client ID: IN30021431842767]

Ms. Yachna Bhatia : First of all thank you for a very excellent presentation and apologies as I am attending the AGM for the first time. So some of my questions might be a bit basic.

1. On the Nickel Cadmium Batteries, I just wanted to understand the demand scenario. I was little bit surprised that it was not mentioned in the presentation. But how is the demand scenario like domestically and internationally. Who are the key competitors for us in this space and with the greater venture from the government source more from Indian companies. Do you see the demand scenario in this phase changing significantly what you saw in a couple of years.
2. In LAB TPPL Battery – Twin Plate Pure Lead Batteries which find use in the Data centers, Public transport etc., So just wanted to find out, is that a space you are looking at. If yes, what is the kind of potential. If no, any particular reason.
3. We have an excellent R & D track record and technology development done over the years. But scale up of business in terms of commercialization, I think Rs 80 Crores is very small. Just want to hear from you what is the reason for low scale up. Has it been something to do with the environment which is changing now or is there anything else and where do you see HEB now. If I was to talk from a 3-5 year perspective. Where do you see the company moving.

In FY 2021-22 we had a sale of Rs 80 Crores a bit of 37% and this was despite that Quarter 1 was a wash out. But when I read out your Annual Report now it talks about order book of Rs 80 Crores to be executed over next 18-24 months despite of demand scenario. And it also talks about a bit of 25-30 % are you giving a conservative guidance or is there something that we are missing.

4. How easy or difficult is it to pass on higher raw material cost to customers in your business. I read from your Annual Report, Silver is covered through a price variation clause. But what about Copper and Zinc. Even that also has been very volatile over the last two years in particular.

Ms. Yachna Bhatia : Thank you

5. Mr. Anant Jain, Hyderabad [DP ID / Client ID: IN30051314168116]

Mr. Anant Jain : Do you hear me sir.

Chairman: Yes sir, we also want to see you.

Mr. Anant Jain: I just turned on the video.

Chairman: Now I can see you

Mr. Anant Jain: Thanks for the presentation and the film that you have put sir. Congratulation on the good set of members. I wish the management a really good financial year ahead and very healthy year ahead. I have a few questions on the operations side of the Company.

1. You have mentioned that Exports as a thrust area which we could not develop in the last year mainly because of Covid. Going ahead , can you give up an idea about what we are doing on the export side, what batteries are we looking to work there and secondly what is the potential there and the reason I am asking the question because most of the other participants have indicated HBL as competitor. HBL seems to do extremely well on exports side especially where they have cracked orders from company like Halcon Systems, Elbit Systems, Orion systems, all these are Missile manufacturing companies. They seem to have done very well in that regard. Our company I really want to understand what is lagging with respect to our company to go capture the International market for the areas that we are in.
2. If you can give us the breakup of the order book in terms of Defence, Non Defence or the type of batteries we are looking at.
3. You spoke about two Defence related projects you are doing with DRDO. Does the sales have breakup in terms of how much battery we are selling versus what is the project side of the sales that we are doing. How does this project scalar whether they don't, what is the probability if you do ten projects, two will scale up in terms of large orders.
4. We do around 25-30% margin. We have done even 35-40% margin in certain years as operating margins. What do you think would be the range for a margin that I as a investor should build in my estimates. What should be my range there.

That is it from my side. This is the great team for Rs 80 Crores Company. This has come from a lot of people. We really want us to scale to Rs 200 Crores. That is something we expect you to do.

Chairman: Thank You for your queries. I will get back to you at the end of the queries.

6. Mr. Saurabh Ajaya Jain, Mumbai [DP ID/ Client ID: 1302080000043021]

Mr. Saurabh Ajaya Jain: Am I audible sir.

Chairman: You are audible. Please go ahead.

Mr. Saurabh Ajaya Jain: First of all congratulations on the good performance. I have few questions:

1. **Order Book:** If you can divide into development versus Production / Commercial order book. When do you see each development order book crossing Rs 100 Crores as well as Production order book crossing Rs 100 Crores.
2. **Silver Zinc Battery:** In previous year Annual Report, you have talked about being the sole supplier to Air force and Navy. If you can confirm if you are still this the whole supplier or any other player are doing the same. Also you have mentioned we did a production Rs 1.5 Crore ampere hours last year. So what is the peak capacity and what kind of growth do we expect in this segment in the next 1 or 2 years.
3. **Underwater Propulsion Battery:** Underwater Propulsion Battery which you have talked about. Is the same battery Light weight and heavy weight Torpedo Battery and we are doing both and if you can talk about the market opportunity and who are the other players, who will be supplying the same.
4. **Seasonality in the business:** If I see your quarterly numbers, in II quarter there is a big uptake. If you can link up with the procurement cycle of Indian Defence, why is there a seasonality.
5. **Vanadium Based Flow Battery:** If you can talk about the commercialization when do we expect, is it under development orders.
6. **Nickel Cadmium Battery:** You talked about that you are supplying to Arjun Battle Tank. But our revenue seems much lower. So when will we be getting the commercial orders in next 1-2 year where we can see scaling.
7. **Fuel Cells & Flow Battery:** If you can briefly talk about at which stage we are in and when do we expect commercialization.

Mr. Saurabh Ajaya Jain: These are the questions. Thank you

Chairman: Thank you Mr. Jain.

7. Mr J Abhishek, Chennai [DP ID/ Client ID: IN30163741359155]

Chairman: How are you?

Mr J Abhishek: I am ok. How are you sir.

Chairman: How other shareholder friend, Mr Padmanabhan?

Mr J Abhishek: Mr Padmanabhan has also joined , sir.

Chairman : Mr Padmanabhan, Namaskaram to you.

Mr Padmanabhan: Good Morning Sir, I am happy that our Company is functioning well. Our group company M/s Ponni Sugars as well M/s Seshasayee Paper Boards and other company where we are having shares and I hope you that you will be taking the tempo to the next higher level. We expected this year bonus issue. But only face value you are reducing High Energy that is actually not going to increase the market capitalization. So I find lot of shareholders from throughout India is taking part of it in discussion. Especially in the contestant of PLI , you will be getting incentives. Actually Government of India is giving more incentives for the Defence oriented companies. So you have already started. That is a backward around Pudukottai we are having had an opportunity to visit few years back. Let us see at least in the Current year you will have physical meeting and improve the shareholders personal rapport. This year we will be able to do something for the SPB, a bonus issue and we are having a lot of years. We did not get any dividend from HEB. Last year and this year you are giving. For the last four years there was no contact no interaction with you. Interaction will be improving and definitely you will be prevailing upon on us and sometimes you will taking some of our suggestions for implementation. Actually you are the pro shareholders chairman, that I know, to my knowledge. So many shareholders are happy with your performance and many shareholders expecting more from you. In the contest of many companies are rewarding the shareholders in a better way.

Thank you Abhishek.

Mr. J Abhishek: Thank you for giving the opportunity sir my best wishes for the 61st Annual General Meeting. You have successfully completed 60 glorious years. I was about to bring a memento and shawl to honour you today to Woodlands Hotel. But unfortunately the

meeting has been hosted through VC because of the high time pandemic. Hope that we can fix up an appointment and catch up sir. Kindly give us an opportunity to meet you sir and greet you. Nothing much across. Thank you very much sir and thank you for giving the opportunity. Thank you.

8. Mr Keshav Garg, Ranchi [DP ID/ Client ID: IN30021415646980]

Chairman: Mr. Garg, are you there?

Mr. Keshav Garg: Yes sir, I am there. I have received your detail Annual Report. I will be grateful if you can answer my questions point by point and apart from that I have few other question apart from the ones that I have already sent you. Recently the government has come out with a rule wherein for all Government orders which are less than Rs 200 crores will only go to companies which has domestic manufacturing. So do you think that is going to benefit us and I also wanted you to understand that in the orders that we bid for the tenders where are the other Indian Companies that are bidding for the same orders. If we are winning those orders, is it L1 like wherein 60% of work we get and L2 the second number per will get the remaining 40% or how does this work or physically do we get the full orders.

1. It is mentioned that the company has become debt free but in the Balance sheet it shows Rs 25 Crores date on 31st march 2022. So basically have we paid of these debts of Rs 25 crores.
2. In Resolution No 7 Wherein the Object are ought to be changed. So we had an unpleasant experience with LAB and we are B-B Company. But we tried to get into B-C and basically we invested Rs 20 Crores and made a cumulative Loss of Rs 35 Crore or Net worth got eroded. We had to sell shares of Ponni Sugars at rock bottom prices. We had to sell the real estates. I hope that the lesson has been learnt that we should stick to being a B-B company and hope we don't again venture into B-C again and make losses again. So this is my plea to you to please to consider that answer. Thank you very much.

Chairman: Thank you Mr Garg. Thank you for the warning.

9. Mr. Dinesh Amrutlal Kotecha, Maharashtra [DP ID/ Client ID: 12018900/ 00000564]

Mr. Dinesh Amrutlal Kotecha : Namaskaram

Chairman: Namaskaram. How are you?

Mr. Dinesh Amrutlal Kotecha: I am very happy to look and see you very happy today. I will speak to the point. First of all my regards to all the elderly Directors, all shareholders who are elder than me and all my VCM attending meeting. You are the first company holding hybrid meeting, physical meeting and the VCM meeting and you have heard our concern last year which we have expressed some of the people from Calcutta expresses their concern and you have offered this concern and done this particular thing and we are very happy for that initiative.

Chairman: This is not Hybrid meeting. I planned for a Hybrid meeting but then there was an outbreak of the 4th Wave of Covid. Chennai authorities asked me not to have Physical meeting. Therefore, the meeting I am now and we are participating is entirely 100% on VC.

Mr Dinesh Amrutlal Kotecha: But in the Balance Sheet it has written as Physical and VC.

Chairman: I have written and I was given a Corrigendum I have posted all to the shareholders also, May be you missed seeing it.

Mr Dinesh Amrutlal Kotecha: Thank you for your clarification. Your Balance Sheet cover page last and the first cover page inner page. I am happy about it, Import substitution we have got award from the Minister Defence and the photograph says everything. What are we innovating and how import substitution products we are making. Last paper also Energy Storage system Flow Battery I am happy with these 2 photographs because that explains lot of things that we are doing in the R & D.

1. How do you manage the R & D? What is the research productivity of R &D?
How do you calculate it and what is the internal rate return you calculate on R&D?
2. Page 82 & 83. Our EPS is Rs. 100.12 and last year it was Rs. 102.24 and we have given dividend only. Though it is increased dividend compared to last year only Rs 15/. Our payout must increase. Our IPR is positive to the less extent compared to last year. Something should be done about it.
3. I find the promoter stake is only 40.92% You can increase this Promoter stake yourself. We would like the promoter to hold 75% Stake. How this will be done. You have

workout with the financial guys and financial people, how to make it to 75% but it is very essential because we are giving it to defence and Navy. Supplying anything to Defence and Navy is all very secretive that we have to give. It is not open, that particular technology are open to the market. We are giving something special to the Army Defence and the Navy. Defence and Navy, what is the order position. I would like to know.

Last year there was 3755 shareholders. This year the shareholder has gone to double 8213. I would suggest, since our Equity is only Rs 1 crore and 80 lakh. We can go for split. That will not harm us. In any way if we split our share to Rs 1 instead of giving bonus, the P& L remains the same. You can give us Rs 15 on one rupee that will also be much better for us. So we will also gain by way of stocks, the number of shares and we will be part and parcel of your growth story for number of years to come not only few years.

Last year you answered good on questions about engineering discipline. You said that is difficult to find efficient people has the problem and has been sorted out to a large extent.

Your maintenance cost for Rs 1 Crore per Annum. What is the maintenance cost going to be in the current year. I would like to know.

Last year the raw material position if you can give me some better information about the raw material fluctuation, how well it is managed now internally.

I wish you all the best. I would like to shake hands with you and have a cup of coffee with year. Next year please keep physical meeting. I am a fan of yours. I would like to meet you in person.

Thank you very much and wish you all the best. Your Secretarial Team is the best

Mr S V Raju. The Secretarial Staff have done a very good duty. I did not get the link. I did not get, but I just made an email in the morning and immediately they sent me the link so that I could join. Thank you very much.

Chairman: Thank You very much.

That finishes the list of speakers who have registered themselves. I have also received few questions on the chat box. I think my job is to answer those shareholders who have sent their queries in mail. I will do so now.

Mr Keshav Garg's Queries

Q1 What is the outlook for the current year in terms of topline and bottom line?

Chairman: I think after hearing lot of speakers they all want me to go for Rs 200 crores at least. I will try to reach at least Rs 100 Crores in the coming year. Mr Pathanjali and Mr Ignatius please note. Please see how to reach. We will try hard to reach.

Q2 What is your outstanding order book?

Chairman: Order book is about Rs 80 Crore which includes about Rs 10 Crores of development works.

Q3 What is your Bidding pipeline?

Chairman: About Rs 35 Crores.

Q4 How much revenue can we generate if you operate full capacity?

Chairman: Our capacity is not limited by numbers of shifts or volume of orders. It is mostly by product mix, by the inspection requirements and the time duration that it takes for us to complete a commercial, the acceptable order. Therefore, it is not that operating the number of shifts will be able to double or triple our Turnover.

Q5 How big is the domestic defence battery market?

Chairman: The domestic defence market depends on the replacement requirements. It varies year to year. In a good year it may touch about Rs 100 – 150 Crores.

Q6 Can we sustain 30% order per month during Financial year 23?

Chairman: I certainly hope so.

Q7 What are the prospects to scale up Nickel Cadmium Battery Division from Rs 5 Crores?

Chairman: We are not getting sufficient orders for this segment. That is the reason why it has not been receiving that kind of attention like Silver Zinc. We will have to now explore, new spaces, new areas, new customers all these may take some time. Before I don't think we make any significant improvement in the current financial year in the Nickel Cadmium division.

Q8 When will the company become debt free?

Chairman: The Company will become debt free by tomorrow. When I say by tomorrow it is in terms of Long Term Loans. We still have Loans with the banks for our working capital management.

Q9 Any plans to dispose off loss making Lead Acid Battery Division?

Chairman: We are now currently striving to succeed in our efforts to restart. It does not materialize.

Q10 Any Plans to launch new products?

Chairman: I think we are now working on several areas. All these may really take a couple of years before they really get materialized as commercial acceptable orders.

Q11 Can our Exports increase meaningfully from Rs 2 Crores?

Chairman: We do expect that this will happen this year.

Q12 Who are our competitors?

Chairman: HBL, Hyderabad is our competitor. But they are very big. They have got many products, they have many outlets and they also have some proprietary products like ours. These are our competitors.

Q13 What are your Capex plans?

Chairman: This is would very much depend on the development that we are doing and the need for capital additions.

Q14 Do we have AMC of the batteries that we supply?

Chairman: No. We don't have AMC. In fact our batteries don't require maintenance on the yearly basis. They are special batteries, they are of course covered by warranty and very rarely we are called upon on the replacement.

Q15 What is the revenue from sale of spares?

Chairman: We are not in that kind of business of selling spares as I said the battery that the battery we supply hardly require any maintenance during its lifetime and therefore our sale through spares are very meager or Nil.

Q16 What are you doing to ensure that Fuel Cells and Flow Battery for energy?

Chairman: It does not become a loss making diversification like our LAB. I think we will take all necessary precaution but there is a need for us to diversify because the Silver Zinc may also taper. Therefore, we have to really look for new additions. I would like to take your cautioned comment on Lead Acid Battery.

Q17 Do you hold any Patents?

Chairman: Yes, We hold patent for some processes. Being a defence related manufacturers we cannot hold patent for products.

Now that completes my questions to Mr Garg. I would like to take up question raised by Upadhyay.

Mr. Nikhil Upadhyay's Queries

Q1 You mentioned in your AGM of 2020 that you produce batteries like Naval, Airforce and Missile usage. Can you give a rough split up?

Chairman: Naval is about 60 %, Airforce and Space is about 10%, Missile is about 15% , Other segment 15%

Q2 As part of the product like Torpedo, Missile or Aircraft engine what would be the percentage of battery cost?

Chairman: Battery cost will vary from 3 / 4 to 10% of the equipment cost.

Q3 Considering the high precision and the low error rate do we get involved during designing phase of the project or we are provided with the design by DRDO and we get involved in the development phase of the project?

Chairman: Battery designs are entirely our own.

Q4 Who would be our nearest competitor?

Chairman : HBL

Q5 What are the critical factors on which the defence establishment looks for on boarding a supplier. What edge has been created over the year to enjoy such market shares?

Chairman: They look for trust and reliability. They look to us for ethical business practices. They also examine our research and development capabilities. Of course their decision making is based on our past track record and our adequacy of our divine knowledge.

Q6 What is the warranty provision we need to create to support product for product liabilities?

Chairman: Hardly about 2% or so.

Q7 In terms of margin is there any pecking order between various products like torpedoes, missiles and aircrafts or all are of similar margins and also can we segregate between high volume low value and low volume and high value kind of business between the various segments?

Chairman: In various products like Torpedos, Missile and Aircrafts are all have similar margins and also can be segregated to high volume or low volume, low value or high value. It is not market related business where we cannot pick and choose products of our choice. These are all requirements that come depending on the requirements of Defence forces.

Sometimes Torpedo will come, sometime they may not come at all. Sometimes you have missiles and therefore pecking order is not something that exist.

Q8 Recently we are looking a lot of orders in Missile systems win for BDL and export orders win for the BrahMos are we a direct beneficiary of these order wins and are we exclusive supplier to BDL or torpedoes or batteries on BrahMos Missile ?

Chairman: We will be supplying the Batteries to BDL and as well as to BrohMos for their Export orders. Especially in Torpedo we are the only supplier of the battery.

Q9 Last year even though at the end of 2022 you have mentioned the order book of Rs 100 Crores, we reported flat sale. Is these orders long cycle time orders and how much of orders is executable in one year and what is the average execution cycle for order book?

Chairman: I have given you. We now have hardly about Rs 80 Crores in which Rs 10 Crores is developmental orders. Developmental order take about a year to materialize at a commercially executable order.

Q10 In the last year AGM you have mentioned about 4 projects that we are working on Silver Oxide , Magnesium Cuprous and Vanadium Flow Battery. You're Positive on Silver Zinc Battery to be able to replace the Silver Oxide Battery and benefits of Indigenization should be visible. Can you please share outlook of each and every project and how large the orders can be?

Chairman: At present we have Silver Zinc, Nickel Cadmium, Silver Chloride and Cuprous Chloride etc. It depends on Government policies and improvement on upgradation requests by defence departments.

All we said we have been working on 3 different areas. One is Lithium-ion batteries. This is the 2nd life. By the 2nd life it means that supposed if it is used for an EV application and its life is above and it can come here, it can be upgraded for a application which is less vigorous than the previous one. We are working on profitable business in the next couple of years.

Flow Battery: something that is designed by us and along with IIT Madras and then we have succeeded in the demonstration. We also have a job which will take 1-2 years.

Fuel cell: We do have prior experience of PMFC and the R&D proposal is currently limited to 1 – 2 kW development work with Hydrogen Innovative Institute. Hydrogen is the end thing and that chemistry is now what we are looking at. How to generate In situ. How to make use of it. 1 / 2 PMFC Fuel cells.

All these I think we are on the right line. These are all the end thing as well as the Industries is concerned. We are putting lot of efforts. This will take a couple of years for them to materialize to a new line of business.

Mr. Balaji through Chat

Q1 Who is your competitor and what is our competitive advantage?

Chairman: The competitor is HBL from Hyderabad and our competitive advantage is we do have list of batteries exclusively designed by us and protected by a secret clause with the Government and for these orders we will be the only supplier.

Q2 What is the medium term aspiration of the company? We have spoken about hydrogen and fuel in our AR. Can you elaborate the opportunity said?

Chairman: I think I have explained to you about hydrogen and fuel cell as soon as medium term aspirations is a immediate now to cross Rs 100 Crores that is what I can say, it will depend on marketing position especially from the export markets.

Mr. Kothari through Chat box

Q1 What is current order book? Number of Batteries under development, How long it will take to convert product?

Chairman: I think I have mentioned about Rs 80 Crores inclusive of Rs 10 Crores of Development orders. We are now in the process of developing a couple of batteries in the new areas that I have explained to you and it takes about couple of years. Being development of R & D work into a commercially acceptable product. To manufacture this product it takes 6 months or so, cycle of manufacturing is 6 months with the fact or orders are received.

Mr. Saraf, Kolkata

Chairman: He wants to take care of plastic & e-waste and he also complimented for underwater propulsion.

Mr. Khatija, Hyderabad

Q1 He said that HBL makes Silver Zinc. They also make Lead Acid Battery, They seem to be doing well by lot of export order. Why are we lagging behind?

MD: We are getting into other areas. We are mostly concentrating on the Defence business that too Silver based. Slowly we are working.

Chairman: Basically our aspiration is how to get Rs 100 Crores. Second is our aspiration is how to organize the export market. These two will help. Third is if you are able to successfully restart our Lead Acid Division that will give us some boost in the overall turnover.

Q2 Torpedo.

Chairman: We are the only supplier of Torpedo Batteries.

Q3 Nickel Cadmium.

Chairman: Nickel Cadmium as I mentioned we don't get much of orders in this phase. We will definitely go back and then examine as to what we should do because the technology that we have. We have the market in our past. But suddenly this Nickel Cadmium batteries seem to be getting replaced by other technologies. Therefore I think now that we have the technology. I think we will spend a little more efforts to see how to get orders in this phase also.

Q4 There was some discussion about B-G Lithium – ion 2nd life.

Chairman: Yes, we are quite aware of Saft.

Q5 There was a question on credit report say that the order was around Rs 160 crores.

Chairman: What the credit report said is the orders on hand & orders expected, but not Rs 160 Crores is not our number. That is probably given by some credit rating agency. Our number is about Rs 80 Crores which is quite correct number that we have been consistently given over there.

Mr Bhatia

Q1 Nickel Cadmium.

Chairman: That I have answered.

Q2 Discussion about TPPL.

MD: It is both for the UPS and Generator application. That is also been surpassed and started coming. We are not concentrating on TPPL Type, but will be getting into prototype that is very much in the developing stage.

Q3 R& D – Scale Up

Chairman : Yes

Q4 Margin of 37%

Chairman: I think we expect this 37% to hold on in the current year of 35%.

Mr Ananth Jain

Q1 Exports.

Chairman: I have answered

HBL Exports: HBL makes lot more products than us in many phases. They are making some Thermal Batteries also. Their Turnover is very high in some of these areas. We will study their operation closely so that we can also benefit by that especially in export market. Lot of design order are huge available for exports. Thanks for the information and will work on it now in this current year.

Q2 Order Book again in Rs 80 Crores. Order about Rs 160 Croes of this Credit rating agency?

Chairman: I have clarified this point

Q3 DRDO , Claims and Project side.

Chairman: The battery is normally 3-5% of some of the projects when they scale up or when they double up or when they enhance, they extent of 5% and also resulting by way of order for us.

Mr Ajay Jain

Q1 Order Book. The ratio between executable order and development order.

Chairman: Out of Rs 80 Crores, Rs 10 Crores development orders

Q2 Sole Supplier.

Chairman: Yes for some batteries we are the sole supplier. Example for Under water propulsion and Sea Water. I think we are the sole suppliers.

Q3 1.50 crores Ampere hours.

Chairman: Ampere hours also will not determine our boosting capacity or turnover. It very much depends on various orders. We are able to judge and able to deliver based on the technology already been developed by us.

Q4 Seasonality.

Chairman: I don't think we have any seasonality. We have business.

Q5 Fuel cells and flow battery.

Chairman: I have explained you the fuel cells and flow battery. They are very much on move. I probably take couple of years to give benefit of our R &D.

Q6 Nickel Cadmium scale up.

Chairman: I think most of the shareholders seem to be concerned about lack of orders in Nickel Cadmium. I take your point and let me see what we can do to boost the Nickel Cadmium sales.

Mr J Abhishek & Mr Padmanabhan

Q1 They want bonus share.

Chairman: They have just now given an opportunity for stock split up. Somebody else mentioned I think our shareholder base is nearly 2500 – 8000 in a couple of years. I do expect stock split further boost this number.

Q2 Stay on B-B. They also asked about debt free.

Chairman: Current debt which we have Rs 100 Lakh is only the debt that we have couple of years ago under Covid scheme and also will get paid by tomorrow also. I think we will become debt free, long term loan still we have working capital debts which we cannot avoid.

We are called upon to lot of BG etc in our business of the Government. Necessarily these banks and these debts we got in our books. I think we said we settled a lot of bank debts, lot corporate debts. We seem to be in a better position with respect to our interest payments whenever be so.

I think we have covered to the best of my ability the questions that came by Email, Chat box raised during this meeting. If I omitted by anything, I think the shareholder concerned will always advises by email we definitely respond.

This really brings us to the end of the Q & A. Moving on.

Members may note the voting on the CDSL platform will continue to be available of about 15-30 minutes after the closure of the meeting. The Number has increased from the beginning we started at 40 closed at 60. I am very happy. Normally the number tapers down, in our case it has gone up. As of now about 60 shareholders are present participated in this meeting and remained so in the most of this meeting. I am thankful to all the shareholders for their sustained interest and support. I take some of the concerns that are expressed in today's meeting by shareholders. We will work on some of these points and see how to benefit by your advice.

Members who have not cast their vote are requested to do so. The Board of Directors has appointed Mr A S Kalayanaraman, practicing Chartered Accountant as the scrutinizer to supervise the e-voting process. I hereby authorize Mr G A Pathanjali, Managing director will

declare the result of the voting and place the result on the website of the company at the earliest.

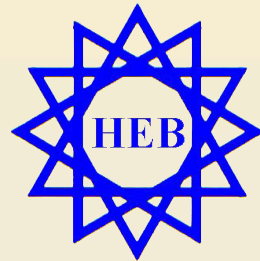
Resolutions as set forth in the notice shall be deemed to be passed today, subject to receipt of requisite number of votes. The recorded transcript of the AGM Proceedings will be received from CDSL and thereupon will be uploaded on the website of the company. We are grateful to all our shareholders from across the countries who have participated in the AGM through Video Conferencing.

Thank you all for attending the Meeting.

I think with your permission, I am now declaring the proceedings as closed. Thank you.

The Meeting comes to an end.

**HIGH ENERGY BATTERIES
(INDIA) LIMITED**



61st Annual General Meeting

29-06-2022



Performance Highlights 2021-22

1. **Highest Turnover (FY 2021-22).**
2. **Highest PBT.**
3. **Dividend of 150%.**
4. **Outlook for 2022-23 is good**
5. **All Corporate Debts repaid.**
6. **Bank interest rates reduced.**



Operational Highlights

1. 330 kW program development completed.
2. Working on a new Silver Zinc Battery for DRDO.
3. Order finalized for two new Battery Development.
4. Navy initiated One shot (Mg Based) Battery
5. VRFB proto developed with IITM, for OECT
6. Working on Silver based Power Sources (mainly Defence)
7. Development work on Flow Battery & Fuel Cell (Industrial/Commercial use) for Energy Storage.



DEVELOPMENT PROGRAMME

1. Lithium Ion Battery for Drones and 2nd Life
2. Hydrogen on demand (HOD) based Fuel Cells
3. Vanadium based Flow Battery scale-up
4. Integrated Power Source cum Energy Storage for Defence



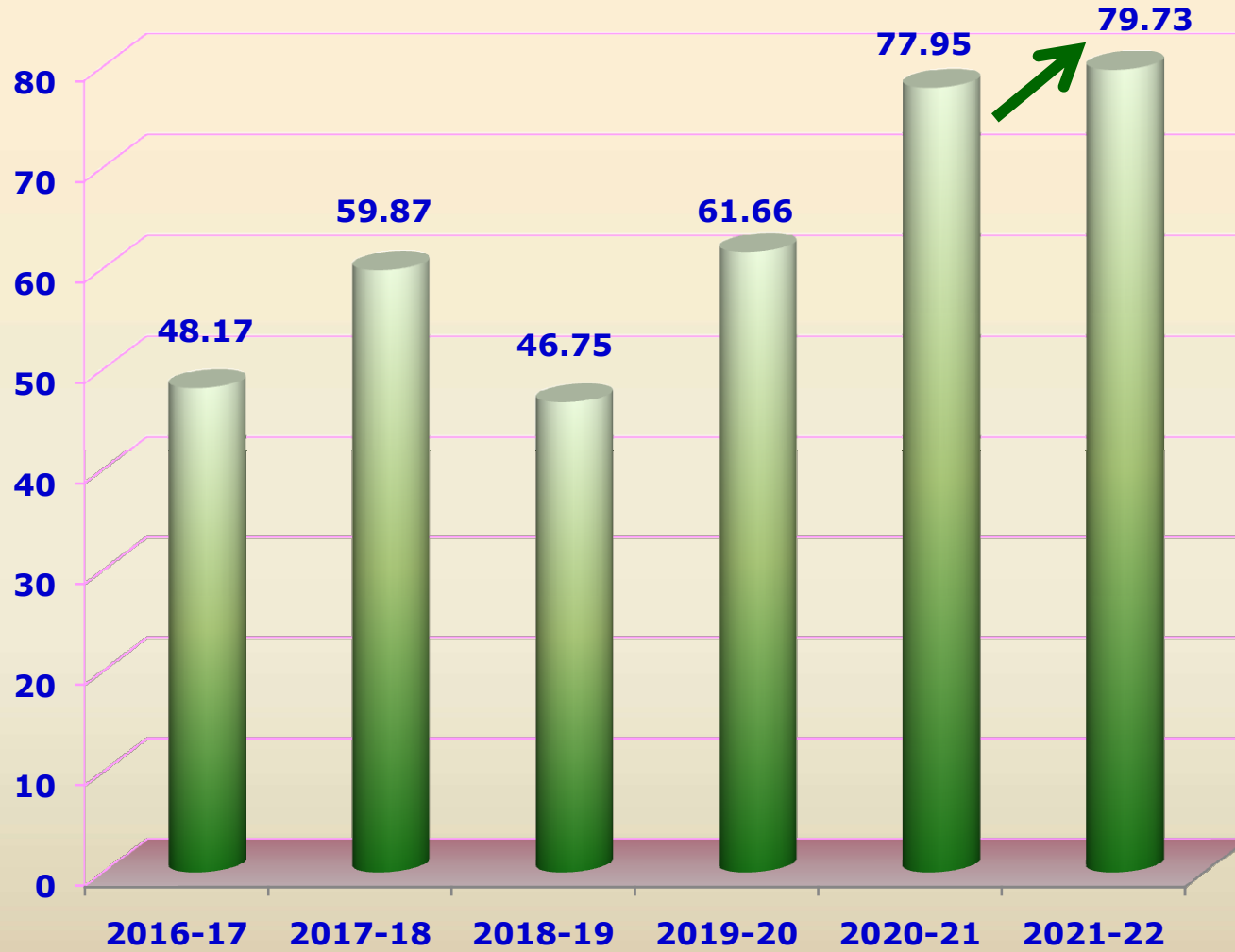
Financial Highlights

2021 – 2022

Financial Highlights



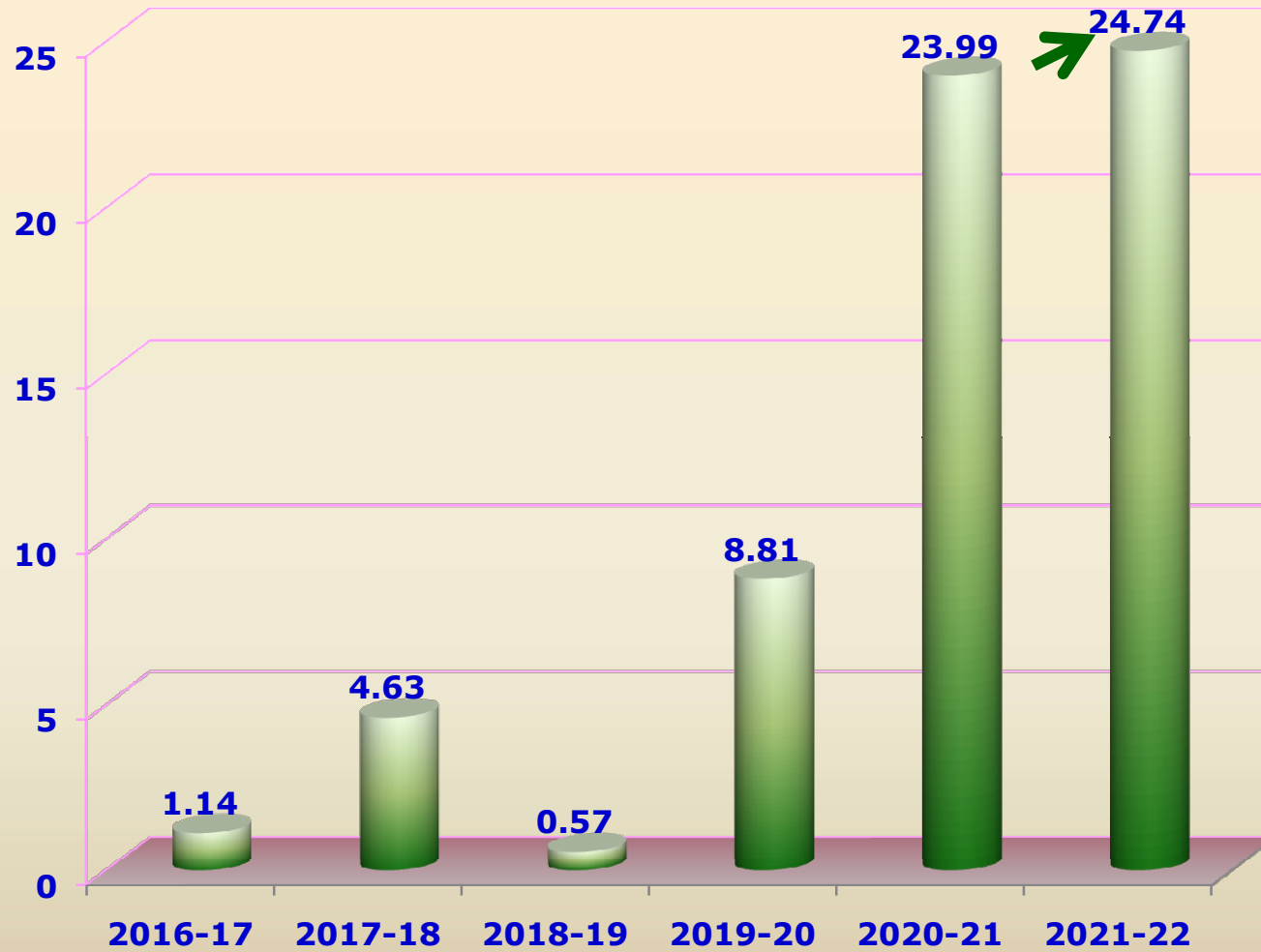
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Financial Highlights



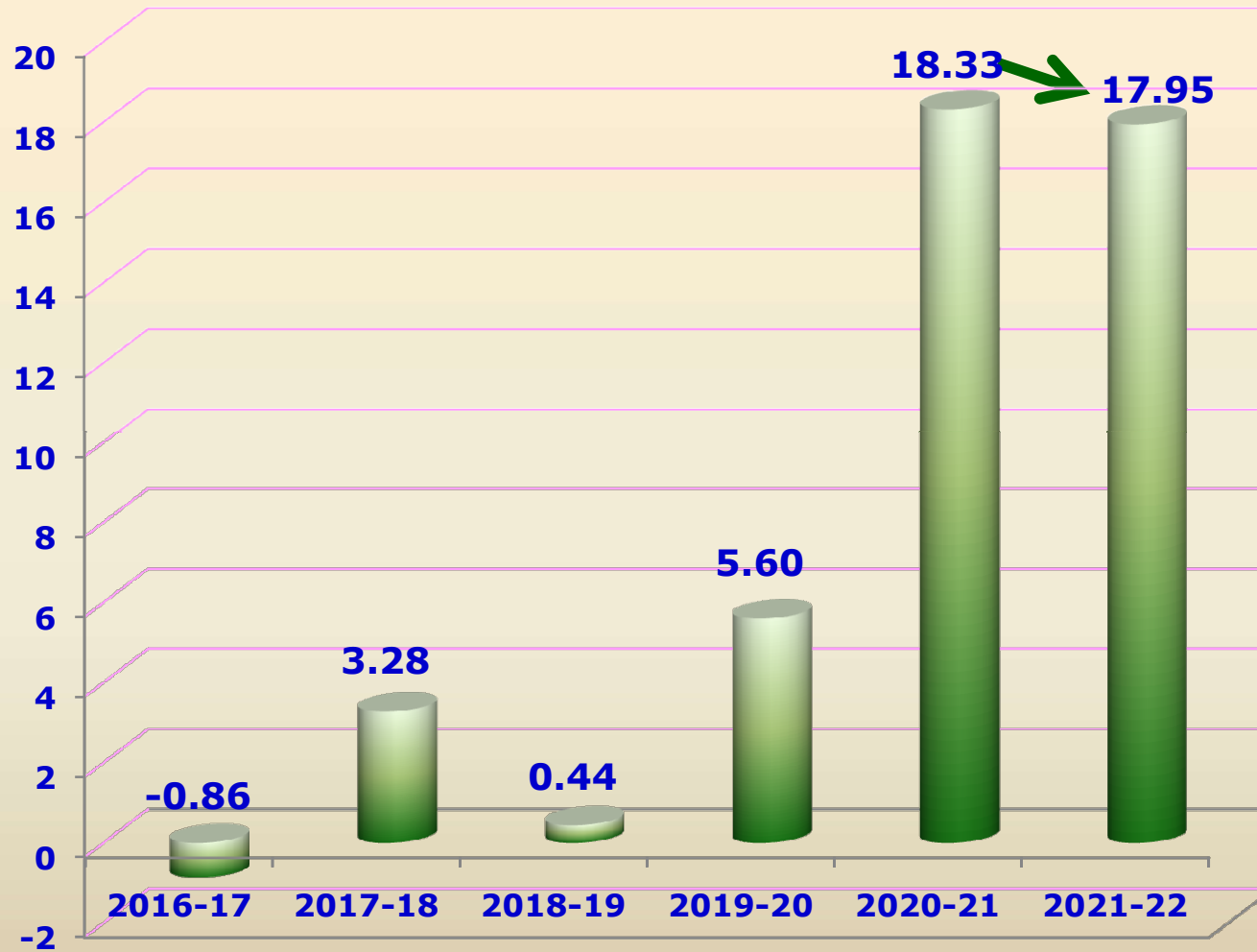
PROFIT BEFORE TAX



Financial Highlights



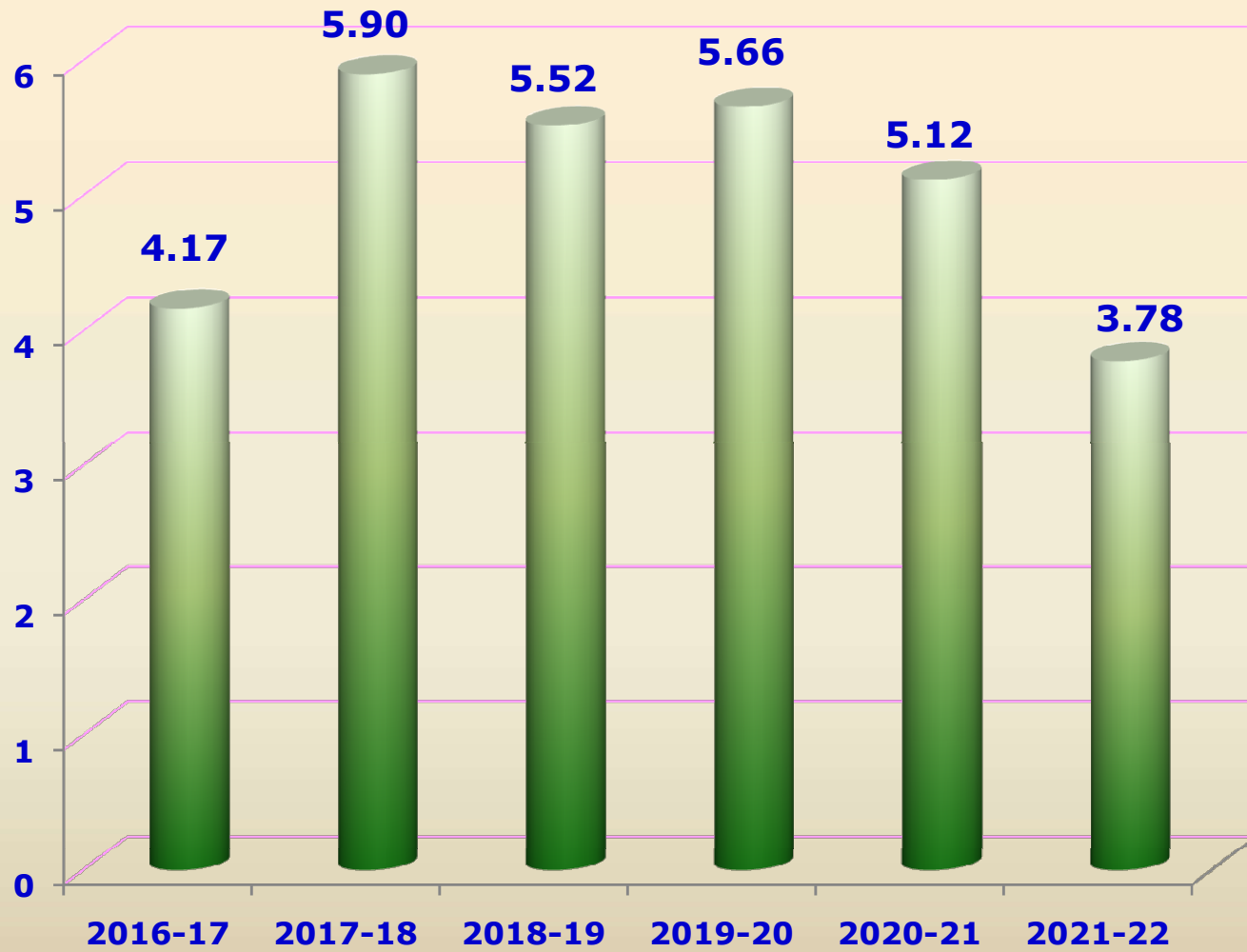
PROFIT AFTER TAX



Financial Highlights



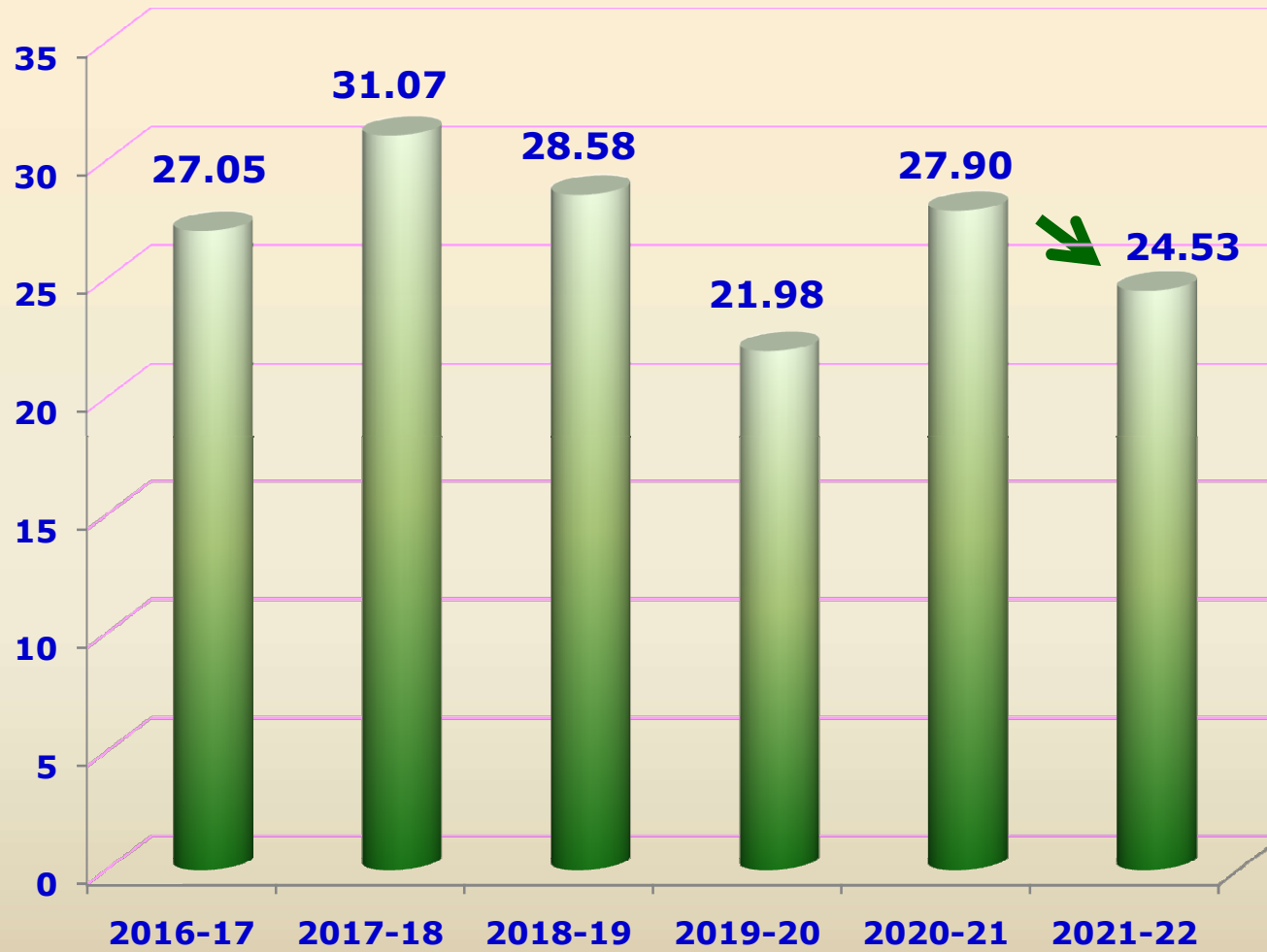
INTEREST COST



Financial Highlights



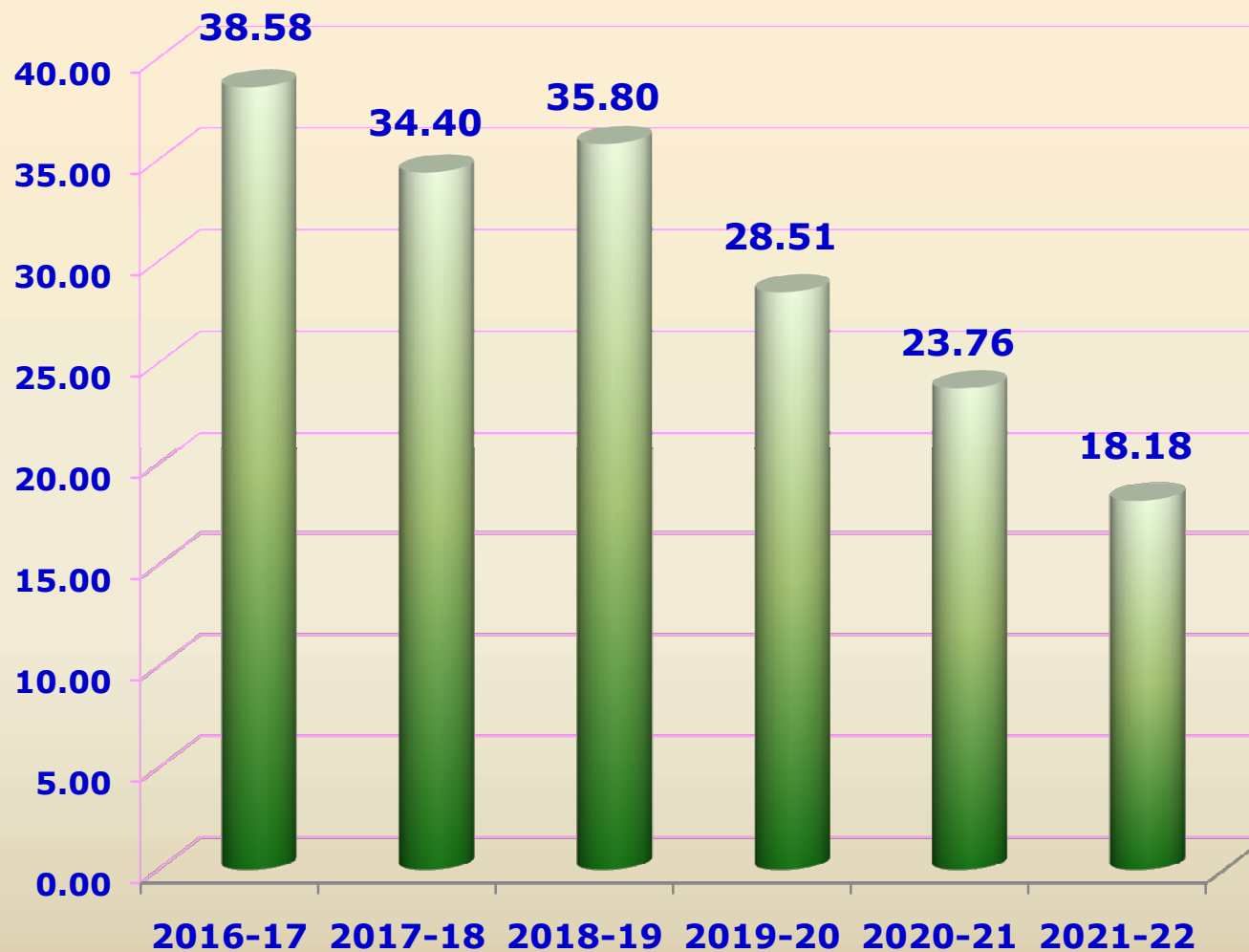
BANK BORROWING





Financial Highlights

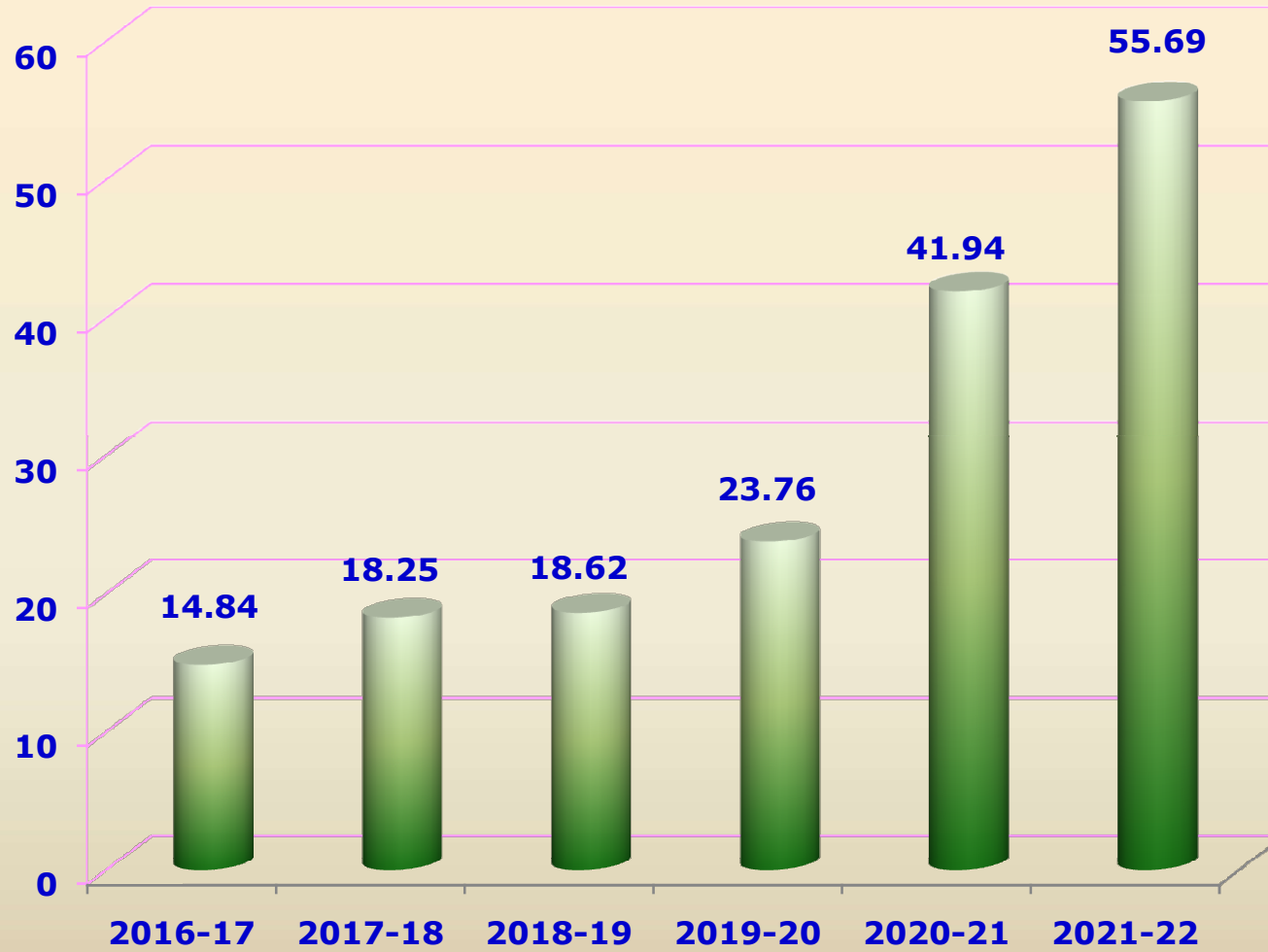
OTHER LIABILITIES



Financial Highlights



NET WORTH





THANK YOU