

Chairman's Speech

Dear Shareholders.

I extend a warm welcome to all of you to this 63rd 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 in-sight into the history of the company's successful pursuit of different battery types involving various electrochemical systems / technologies that are indigenously developed through in-house R&D, to support and meet our country's critical energy needs.

All of us should be happy and 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 Silver Chloride, Cuprous Chloride and Metal–Air systems. This enables the Company to design and manufacture batteries for Mission Critical platforms like Torpedoes, Fighter Aircraft, Supersonic Missiles, Army Battle Tanks, Unmanned Arial Vehicle (UAV), Drones, Autonomous

HIGH ENERGY BATTERIES (INDIA) LIMITED

63rd Annual General Meeting

Saturday – June 08, 2024

Underwater Vehicle (AUV) and Satellite Launch Vehicles (SLV).

Our Company is currently equipping itself through development programs initiated to meet the requirements of the upcoming areas like Fuel Cell for In-situ Power Generation using **Hydrogen as fuel (HFC)** and Long-duration Energy Storage (LDES), to provide over ten hours of Un-interrupted Power to consumers, through Flow Battery systems.

Your Company has posted again a reasonable operational and financial result given the global situation prevailing and declared for the Fourth year in succession, a dividend of 150% for FY 2023 – 24. 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 economic activity is stalling with signs of slowdown in both the manufacturing and Service sectors. Tight financial conditions weigh on consumer and business sentiments, while fiscal and monetary policy-makers

are assessing trade-offs and sequencing for careful policy calibration.”

The economic backdrop is marked by protracted weakness in global growth and widening divergence. The International Monetary Fund (IMF) forecasts a slight decline in global growth to 2.9% in 2024, down from 3% in 2023. The relative resilience in global figures will continue to rely on the growth performance of emerging economies, while the momentum in advanced economies is fading.

The International Monetary Fund (IMF) has been optimistic in forging India's growth forecast for 2024-25 at 6.8%, on the back of strong domestic demand and a rising working-age population.

DEFENCE

Government allocated Rs 6.21 Lakh Crores to Defence sector in FY 2024 – 25 Interim Budget, a jump of 4.7% over previous year. Further, Defence R&D is opened up fully for Indian industrial sectors including startups and as part of “Atma Nirbharta” programs, many new systems are being developed with Battery playing the main role of Power Supply, to meet the requirements.

Out of the said allocation of Rs. 6.21 Lakh Crores, Rs. 1.72 Lakh Crores (around 28%), was earmarked only for capital acquisition. Further, Rs. 1 Lakh crore corpus created for “**Deep tech**” essentially to provide long term loan to companies.

THRUST IN DEFENCE ALLOCATION

Government is planning to impose restrictions on import of arms and ammunitions in a phased manner and such imports shall be substituted through the procurement from Domestic Industry, facilitated by a strong Indian manufacturing infra cum eco system. This will benefit our Company, having ample resources to take on the design, engineering development cum manufacture of energy related systems.

COVID 19

Though the company did not face lockdowns in FY 2023 – 24 due to the pandemic aftermath, disruptions in supply chain and delays in receipt of imported materials continue till date.

PERFORMANCE REVIEW

The company achieved a turnover of Rs.77.23 Crores as compared to last year turnover of Rs. 92.54 Crores resulting in a decrease of around 16% compared to the previous year. The Company made PBT of Rs. 23.11 Crores, as against Rs. 27.50 Crores last year.

An accomplishment which is worth sharing is that the Company continues to be “Debt Free (Long Term)” Company since FY 2022– 23.

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

Our efforts towards the revival of operations of Lead Acid Battery Division are yet to bear fruits.

CSR

The Company, by framing its CSR policy, is committed to the upliftment of rural area surrounding the factory and as part of the statutory obligation towards CSR, the Company spent Rs. 52.92 lakhs with impetus on promoting education, Rural Development activities and Health Care.

R &D

Your company through a joint working with IIT, Madras and ONGC Energy Centre Trust (OECT), over the last two years, had developed a 1kW / 10kWh Vanadium based Flow Battery (VRFB) and demonstrated its performance satisfactorily. This development pertains to “Energy Storage System” for use in long endurance requirements, the battery being integrated with Renewable Energy (RE) sources like Solar and Wind.

As a continuation of this work and based on the satisfactory demonstration of a 5kW system, further work on the design, development cum supply of a VRFB based 10kW / 100 kWh storage system integrated with Solar PV for Charging of Two-Wheeler (2W)

HIGH ENERGY BATTERIES (INDIA) LIMITED

63rd Annual General Meeting

Saturday – June 08, 2024

or Three-Wheeler (3W) EV – “a **24*7 Charging Station**” as an application, is presently in progress.

The inside of wrapper for our 63rd Annual Report contains the image of Integrated Solar with Vanadium Battery (VRFB) for one such EV – 2W Charging, exhibited during “India Energy Week” (IEW) – 2024 at Goa during February 2024.

The scale - up of the systems to higher levels of Power and Energy, will be addressed in a phased manner over the next two years, as the technical challenges are high in terms of material availability, indigenization of components and cost effectiveness of overall system.

R & D efforts on the development of a 1 kW and 2.5 kW Fuel Cell system using Hydrogen and Air in our normal ambient conditions, is being pursued jointly with Centre for High Technology (CHT), Indian Oil Corporation Limited (IOCL) and Gas Authority of India Limited (GAIL).

On this, optimization of membrane, the catalysts, catalyst loading and evaluation of a small size 1kW proto type stack, are in progress. The Process flow and control parameters for proto development is established and this program will be completed including the testing cum evaluation of a scaled up 2.5 kW plus level unit, during the FY 2024 – 25.

DIVIDEND

As you are aware, Board of Directors have recommended payment of dividend at 150% for this year 2023-24, quite notably for the fourth year in succession.

CURRENT YEAR (2024-25)

The company, it is hoped, will be able to maintain improved financial performance this year also. The company is free of all inter-
corporate loans and 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.

DIVERSIFICATION

As informed in the last Annual General Meeting, we pursue application-oriented development Programs in the field of Li-Ion and other types of power sources like Fuel Cells and Flow Battery.

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

DIRECTORS

During the year, Mr. A L Somayaji, Cmde. R P Prem Kumar and Dr. M Natarajan Independent Directors of the Company completed their tenure of two terms of five years each as on 31st March 2024. We

are grateful to these retiring directors for the guidance and counsel received from them, which helped the Company to steer clear of difficult situations.

Cmde Saroj Kumar Patel and Dr. Subrahmaniya Sivam were appointed as Independent Directors for a tenure of five years while Dr. Vijayamohanan K Pillai continues to be an Independent Director, for a Second term of Five years from 01st April, 2024, with the approval of the members through Postal Ballot.

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 off difficult situations.

I also wish to place on record the excellent support extended to our Company by Defence Services, VSSC, ISRO, RCI, ASL, DRDO Laboratories and Ministry of Defence (MOD), NSTL, NPOL, NMRL, BDL, BrahMos (BAPL), Skyroot, BEL, HAL, ADE, ADA, L&T, Mahindra Defence, Agnikul and other Defence based organizations such as DGONA, DAPI, CVRDE, MGO, Air (HQ), HQMC, Indian Army, Indian Air Force, Indian Navy, Overseas Customers, LIC and our consortium of Bankers Viz., UCO Bank and Punjab National Bank.

HIGH ENERGY BATTERIES (INDIA) LIMITED

63rd Annual General Meeting

Saturday – June 08, 2024

I further wish to place on record my sincere appreciation to all the employees of the company for their continued involvement and contribution towards the 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 I take this opportunity to 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.

June 08, 2024

(N GOPALARATNAM)

Chairman

(This does not purport to be a record of the proceedings of the 63rd Annual General Meeting)