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**Chairman's Speech**

Dear Shareholders.

I extend a warm welcome to all of you to this 64<sup>th</sup> 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 Aerial Vehicle (UAV), Drones, Autonomous 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-

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interrupted Power to consumers, through an emerging field called Flow Battery systems, which will surpass the techno-economical characteristic of conventional Lithium based Battery Energy Storage Systems (BESS) for Solar Photo Voltaic applications. Our Company is also working on low power Lithium Ion Batteries and will get into battery development for Drones.

Our Company has posted again a reasonable operational and financial result given the global situation prevailing and declared for the Fifth year in succession, a dividend of 150% for FY 2024 – 25. I am sure that 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: "Expectations for global growth are muted overall but subject to significant regional divergence. The US economy is expected to deliver robust growth in 2025, and South Asia, particularly India, is also expected to maintain strong growth. The outlook for Europe remains gloomy, predicting weak or very weak growth this year. The outlook for China also remains weak, and the overall Industrial growth globally is projected to slow down gradually in the years ahead."

Global inflation is easing, with the International Monetary Fund (IMF) projecting an annual average of 4.3% in 2025, down from 5.8% in 2024. However, services inflation remains higher than goods inflation,

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particularly in advanced and emerging market economies. Moderate inflation is expected in most regions, but the uptick in the short-term outlook for growth in the US is accompanied by a significant increase in inflation expectations, according to economists.

India is projected to remain the fastest-growing large economy for 2025 and 2026, reaffirming its dominance in the global economic landscape. The country's economy is expected to expand by 6.2 per cent in 2025 and 6.3 per cent in 2026, outpacing many of its global counterparts.

### **DEFENCE**

Government allocated Rs 6.81 Lakh Crores to Defence sector in FY 2025 – 26 Budget, a jump of 9.53% over previous year. Further, Defence R&D is opened up fully for Indian industrial sectors including startups and as part of “Atmanirbharta” 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. 6.81 Lakh Crores, Rs. 1.80 Lakh Crores (around 26%), was earmarked only for capital acquisition. The Ministry has taken a decision to observe 2025 – 26 as ‘Year of Reforms’ which will further strengthen the resolve of the Government for modernization of Armed Forces and is aimed for simplification in the Defence Procurement Procedure to ensure optimum utilization of the allocation.

### **ENHANCED ALLOCATION FOR DRDO**

The budgetary allocation to Defence Research and Development Organization (DRDO) has been increased to around Rs. 27 thousand crores in FY 2025 – 26 from Rs. 24 thousand crores in FY 2024 – 25 which is 12.50% higher than the budgeted Expenditure of 2024 – 25.

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### **DEFENCE PROCUREMENT & POLICY REVIEW 2024:**

To boost Atmanirbharta in Defence and minimize imports by Defence PSU's (DPSU's), the Department of Defence Production in July, notified the 05<sup>th</sup> Positive Indigenization List (PIL) consisting of 346 items. These include strategically-important Line Replacement Units / Systems / Sub-systems/ Assemblies / Sub-Assemblies/ Spares & Components and raw materials.

As a major development, two contracts were inked for procurement of BrahMos missiles at a cost of about Rs. 19,518 crores and Procurement of Ship borne BrahMos system at a cost of Rs. 988 crores.

In order to initiate and promote Technology infusion, Technology Development Fund (TDF) has been launched by the Government for giving impetus to R & D projects beyond the proof-of-concept stage.

### **PERFORMANCE REVIEW**

The company achieved a turnover of Rs.80.75 Crores as compared to last year turnover of Rs. 77.23 Crores resulting in an increase of around 4.5% compared to the previous year. The Company made PBT of Rs. 20.68 Crores, as against Rs.23.11 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.

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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. 50.17 Lakhs with focus on promoting education, Rural Development activities, Contribution to War veterans and Health Care.

### **R &D**

Your company through a joint working with Centre for High Technology (CHT) & ONGC Energy Centre Trust (OECT), initiated a development program pertaining to Hydrogen economy. Based on the satisfactory performance of the proto units, this project was completed and handed over during March 2025. The objective of this program was to demonstrate the generation and separation of Hydrogen and Oxygen, compression at higher pressures and then storage of Hydrogen in cylinders for further storage and / or transportation.

Also, your company initiated another program during FY 2023 – 24, with IOCL and GAIL as funding agencies. The target of this two-year program is to come up with a low power Fuel Cell (FC) stack using Hydrogen and Air. On this, optimization of membranes, the catalysts, catalyst loading and small size upto 3 kW proto type stack evaluation are in progress. The Process flow and control parameters for proto development are established and this program will be completed including the testing cum evaluation of a scaled-up unit, during FY 2025 – 26.

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Your company also initiated the indigenization activity during the FY 2024 – 25, on Reels required for the tethering of Torpedoes while firing at sea. This activity is in progress and would be pursued further during FY 2025 – 26.

Related to Vanadium based flow battery (VRFB), Long Duration Energy Storage (LDES) program, your company successfully demonstrated the completion of the development program on 1kW / 10kWh module, carried out in co-ordination with IIT Chennai and ONGC Energy Centre (OECT). As a further progress, the agencies preferred to initiate the next level of funded program with our participation, to pursue scaling-up to 50 kW and 100 kWh rating.

On the Lithium-Ion Battery (LIB), your company established the facility for second life cell screening, the production set-up needed to undertake battery pack assembly and instrumentation needed for testing as pack or battery to ensure and assure Quality cum reliability. Concerted efforts are on to work on the allied electrical and electronics systems like Battery Monitoring System (BMS), controller and charger that are essential to go with Lithium-Ion Battery (LIB) for many other applications such as Three-Wheeler (3W) EV and low power off-grid UPS systems.

### **DIVIDEND**

As you are aware, Board of Directors have recommended payment of dividend at 150% for this year 2024-25, quite notably for the fifth year in succession.

### **CURRENT YEAR (2025-26)**

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

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orders on hand and orders expected during the year, the company is expected to post better results barring unforeseen circumstances. The present development cum supply orders from DRDO and Indian Navy for Silver Chloride Magnesium Battery for Light Weight Torpedo (LWT) and Silver Oxide Zinc Battery for Heavy Weight Torpedo (HWT), will materialize into production orders by year end and will fetch around Rs. 50 to 60 Crores per year of additional business.

### **DIVERSIFICATION**

As informed in the last Annual General Meeting, we pursue application-oriented development Programs in the field of Li-Ion, other types of power sources like Fuel Cells, Energy storage through Flow Battery and Hydrogen generation using Electrolyzer technology.

For requirements arising out of Indian Market and a few markets abroad, established Vanadium Redox Flow Battery (VRFB) companies from the US and Europe evince interest to have tie-up with HEB. They will provide the needed technology and technical support and look for contract manufacture and/or manufacturing support from India for multi – Kilo Watt and Kilo Watt Hour level stacks and Energy Storage Systems (ESS). This proposal is in progress and we expect to have the initial product manufacture, in the near future.

On similar lines for Hydrogen Electrolyser, based on the knowledge gained and the unit work undertaken by HEB, one of the oil-majors has approached us to partner with them for developing 100 Kilo Watt plus Hydrogen Generation units including Balance of Plant (BOP). Our Company is confident of developing, demonstrating and go for regular supply of these 100 Kilo Watt modules for Hydrogen generation, storage and usage.

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### **DIRECTORS**

During the year, Mr. M Ignatius (DIN:08463140) was re-appointed as Whole time Director designated as Director (Operations) of the Company for a period of three (03) years from 01<sup>st</sup> April,2025 to 31<sup>st</sup> March, 2028, by a Special resolution passed through Postal Ballot by the Shareholders on 19<sup>th</sup> March, 2025.

### **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 Defense (MOD), NSTL, NPOL, NMRL, BDL, BrahMos (BAPL), BEL, HAL, ADE, ADA, Mahindra Defense, and other Defense based organizations such as DGONA, DAPI, CVRDE, MGO, Air (HQ), HQMC, Overseas Customers, LIC and our consortium of Bankers Viz., UCO Bank and Punjab National Bank.

I also wish to thank all our valued Govt Statutory Bodies like IOF, PCB and Inspection cum Certifying agencies such as CEMILAC, DGAQA, DGNAL, MSQAA, SSQAG, R&QA for their timely and meticulous adherence of Quality Assurance / Product acceptance procedures.

I also wish to thank 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,



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IOCL and GAIL and the Overseas customers, who have reposed utmost faith and confidence in our products.

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 21, 2025**

**(N GOPALARATNAM)  
Chairman**

***(This does not purport to be a record of the proceedings of  
the 64<sup>th</sup> Annual General Meeting)***