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HBL[®]
HBL Power Systems Ltd.

Date: September 3, 2022

The Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400001
Scrip code: 517271

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
Mumbai - 400 051
Scrip code: HBLPOWER

Dear Sir/Madam,

Sub: Notice of 301h Annual General Meeting and Annual Report for the Financial Year 2021-22-reg.

Ref: SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022; Regulation 30 and 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Pursuant to Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening 36th Annual General Meeting and the Annual Report for the financial year 2021-2022 which will be circulated to the shareholders through electronic mode. The 36th AGM will be held on Tuesday, September 27, 2022 at 04.00 P.M (IST) through Video Conference (VC) I Other Audio Visual Means (OAVM).

The Notice and the Annual Report will be made available on the Company's website at <https://hbl.in/reports/hblannualreport2022.pdf>

The schedule of AGM is as set out below:

Particulars	Details
Benpos Date for circulation of Notice	August 26, 2022
Day, date and time of 36th AGM	Tuesday, September 27, 2022 at 4:00 PM
Date of Annual Report circulation through e-mail	September 03, 2022
Cut Off Date (e-Voting)	Friday, September 16, 2022
Remote e-Voting Start day, date and time	Saturday, September 24, 2022 at 9:00 A.M.
Remote e-Voting end day, date and time	Monday, September 26, 2022 at 5:00 P.M.
AGM e-voting result date	Wednesday, 28th September, 2022

This is for your information and records.

Thanking you
For HBL Power Systems Limited


N Ramakrishna Rao
Dy. Company Secretary



Encl: Annual Report 2022

Regd. Office :
HBL Power Systems Limited
Road No.10, Banjara Hills, Hyderabad - 500 034.
Website : www.hbl.in

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5

MANUFACTURING FACILITIES



80+

GLOBAL FOOTPRINT



1,600+

TEAM STRENGTH

1,221

Revenue (₹ Crore)

160

EBITDA (₹ Crore)

89

Net Profit (₹ Crore)

872

Networth (₹ Crore)

2,420

Market Capitalization (₹ Crore)



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There's a time for taking the big leaps and persevering through the years with eyes on the prize.

And then there's the time for witnessing every effort fall into place and the arrival of satisfying outcomes.

FOR US, THIS YEAR HAS BEEN ALL ABOUT THE LATTER.

We focused on our core strengths and took innovative leaps. We made our way into newer avenues, with persistence and faith.

And that has led to quite a few big wins for us; the kind that will make our path ahead a lot more assured and progressive.

After a long period of adjustments and realignments, we are now at a place where our feet are on stable ground.

WE ARE NOW READY TO EMBARK ON A

SAFER
JOURNEY!



ABOUT HBL POWER SYSTEMS

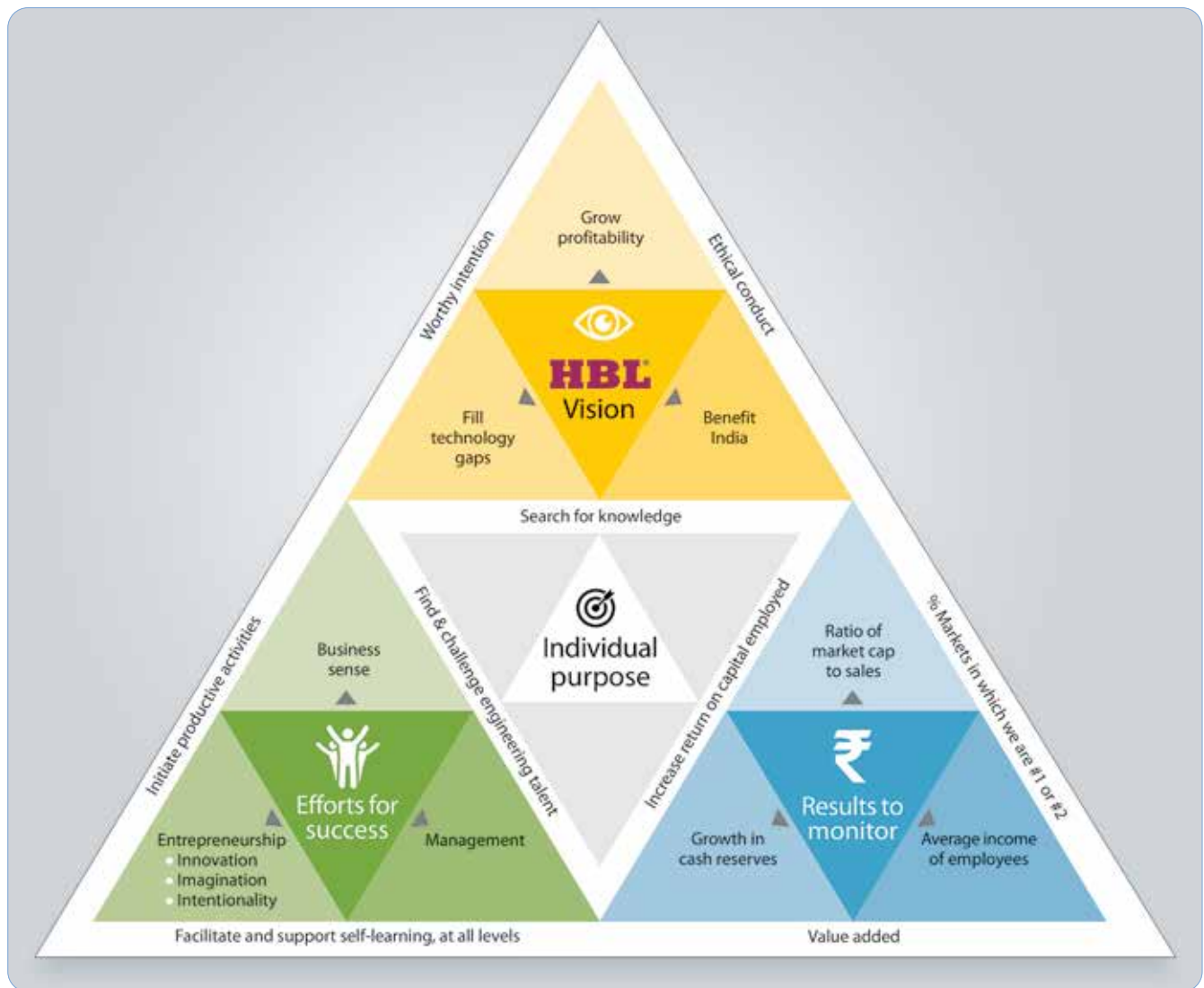
HBL POWER SYSTEMS is the pioneer in the design, development and manufacture of specialized batteries and electronic solutions for challenging applications. Driven by the true spirit of Atmanirbhar Bharat and Make in India movements, HBL Power Systems Limited (HBL) focuses on creating technology-solutions that address key user sectors such as Telecom, UPS, Railways, Power, Oil & Gas, Industries, and Defence, among others.

Spearheaded by Dr. AJ Prasad, the Company continues to remain at the forefront of technology innovation. Since inception he has always believed in and practiced a unique philosophy - 'identify and develop technology leveraging the in-house intellectual capital to fill in prevailing gaps.'

The Company is committed to improving global competitiveness through customer engagement,

drive for innovation, growth, and investments in internationally benchmarked technology and niche products.

Recognised to tread the road less traveled, HBL has its headquarters at Hyderabad. The Company has five manufacturing facilities located in Telangana and Andhra Pradesh. The Company's equity is listed on the BSE Limited and the National Stock Exchange of India Limited.



The triangle encapsulates the essence and being of HBL. It showcases the "Who", "Why", "How", and "Where" of the organization.



VISION

To organise India's engineering talent into a globally competitive business, whether in manufacturing or services. Our choice is to be in businesses with technological challenges/ engineering intensity.

VALUES

HBL

FAIRNESS TO ALL
Is being just, and aligning our thoughts and acts in best interest of all we interact with

HBL

INNOVATIVE SPIRIT
Is pro-actively visualising opportunities to improve what we do

HBL

CRAFTSMANSHIP
Is being passionate and proud about the quality of what we produce and deliver

HBL

ENTREPRENEURIAL OPPORTUNISM
Is identifying and converting gaps and challenges into business opportunities

HBL

DEVELOPMENT OF INDIVIDUALS
Is providing a learning and exploratory environment to build capabilities leading to personal growth in employees at all levels




HBL

HARMONIOUS CO-EXISTENCE
Is a responsibility to conserve and nurture environment and society

ABOUT THE BUSINESS

HBL is equipped with undermentioned capabilities, and services key business sectors such as Defence, Industry and Mobility

Business capabilities

BUSINESS SECTOR	 DEFENCE	 INDUSTRY	 MOBILITY
HBL CAPABILITIES			
Batteries	Aircraft, Missiles, Torpedoes, Battle Tanks, Submarines - in various chemistries	Nickel Cadmium & Lead Acid in various technologies	Lithium-ion (LFP, Pouch)
Electronics	Army communications Equipment, Artillery and other Fuses	Battery chargers, Energy storage systems, Battery Management System (BMS)	Train Protection & Train Management Systems, Motor & Vehicle controllers and EV Charging systems
Motors	Torpedo motors	Energy Saving Motors (IE4)	Switched Reluctance Motors
Build to Print manufacturing	Foreign Companies' Offset (local content) obligation	Bringing batteries developed abroad (Technology Readiness Level 5 to 9)	Long Term Evolution (LTE), Communication system

Our vertically integrated facilities



VIZIANAGARAM

Near Visakhapatnam, Andhra Pradesh

Product line: 2V/12V-AGM VRLA and Tubular Gel



SHAMIRPET

Hyderabad, Telangana

Product line: Ni-Cd & Specialty batteries and power electronics






NANDIGAON

Near Hyderabad, Telangana

Product line: PLT, Lithium-Ion and Submarine Batteries

Business verticals

The Company operates its business under three primary verticals namely - Battery, Electronics & Defence.

 Batteries	 Electronics	 Defence
<p>Only Indian player in the market to have high powered Pure Lead Thin Plate (PLT) battery</p>	<p>Offered the first ever Train Collision Avoidance System (TCAS) for Indian Railways</p>	<p>One of the leading suppliers of batteries for various defence applications</p>
<p>World's second-largest manufacturer of Nickel-Cadmium batteries with Pocket Plate, Sintered Plate and Fibre Plate technologies</p>	<p>Developed Train Management System (TMS) for the Indian Railways - first time ever by a private sector entity</p>	<p>Developing Lithium Ion battery for defence applications</p>
<p style="text-align: center;">64% Contribution to total revenue</p>	<p style="text-align: center;">10% Contribution to total revenue</p>	<p style="text-align: center;">24% Contribution to total revenue</p>

Revenue from other verticals - 2%



THUMKUNTA
Hyderabad, Telangana
Product line: Electronics



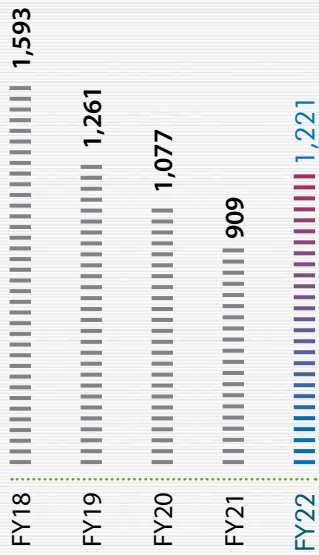
VISAKHAPATNAM (SEZ)
Andhra Pradesh
Product line: Ni-Cd batteries



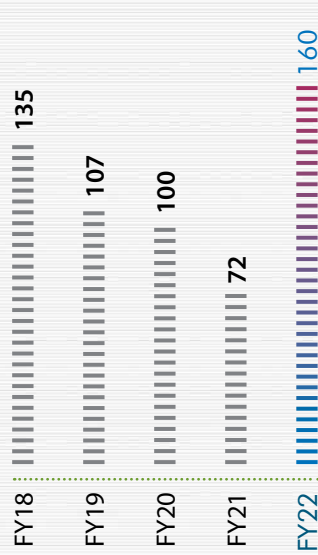
YAPRAL (Development Centre)
Hyderabad, Telangana
Product line: Product development initiatives

KEY PERFORMANCE INDICATORS

Revenue (₹ Crore)



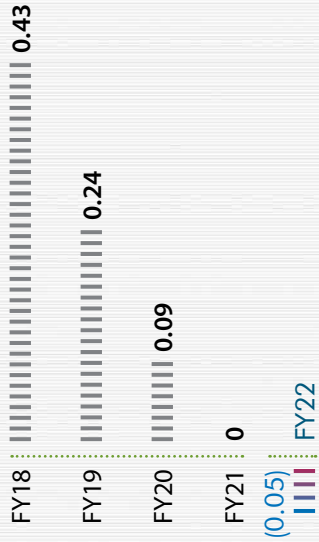
EBITDA (₹ Crore)



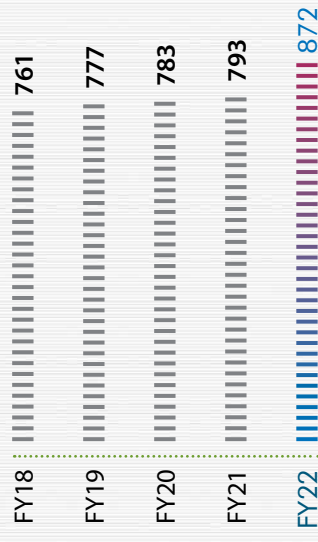
Net Debt (₹ Crore)



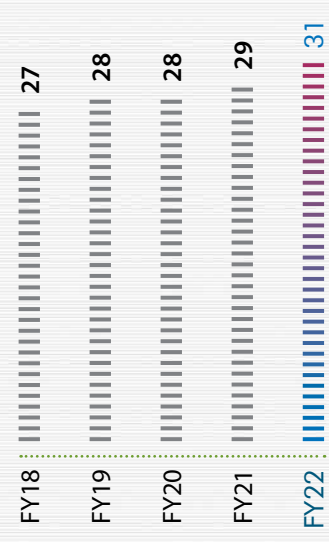
Debt to Equity (x)



Net worth (₹ Crore)



Book value per share (₹)



3.19

EPS (₹)

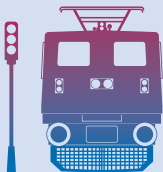

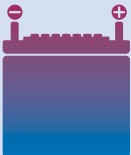
61

Net Cash from operations
(₹ Crore)

12%

EBITDA Margin

BUSINESS HIGHLIGHTS

 <p>Electronics</p>	 <p>Defence</p>	 <p>Batteries</p>
<ul style="list-style-type: none"> ● Completed the deployment of TCAS over 347 km in South Central Railway ● First to complete the specific application safety assessment and certification for TCAS in South Central Railway ● Won a contract from Eastern Railway for deploying TCAS over 260 km and 120 locomotives in Delhi-Howrah route ● Deployment of Train Management System (TMS) in progress on the Eastern Dedicated Freight Corridor ● Electronic Interlock ready for field trial, after successful testing by RDSO 	<ul style="list-style-type: none"> ● Continued manufacture and supply of Type-I batteries for Kilo class submarine and Varunasthra torpedo batteries for the Indian Navy ● Commenced manufacture and supply of Type IV batteries for Scorpene class submarine for the Indian Navy; also initiated the development of Type II batteries for HDW (Germany) class submarine ● Obtained order from NSTL (Naval Science and Technology Laboratory) for manufacture and supply of Li Ion batteries for Defence applications 	<ul style="list-style-type: none"> ● Established PLT batteries as the preferred back-up energy source for Data Centers ● Large orders executed for domestic and global customers in the Nickel-Cadmium battery segment ● Enhanced volumes in 12V UPS battery business

WE WILL CONTINUE TO WORK VERY DILIGENTLY TO ENSURE THAT HBL'S VISION REMAINS THE BASIS OF OUR CULTURE, **TO ORGANISE INDIAN ENGINEERING TALENT FOR THE BENEFIT OF INDIA, OUR EMPLOYEES, SUPPLIERS AND SHAREHOLDERS.**



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JOURNEY

DEAR SHAREHOLDERS,

We are excited to share our thoughts with you for we stand at the threshold of a significant change in our business prospects. FY22 has been a very interesting journey. It was bleak at the start. And better at the end. The fiscal started with the life-threatening second wave of Covid-19 pandemic which tested India severely. The impact of this health scare and its impact on the economy were significant. But a resilient India bounced back with vigour only to face inflationary pressure prevailing across the globe consequent of the pandemic further fuelled by the geopolitical tensions towards the close of the fiscal. This resulted in a substantial increase in input cost.

THE team continues to engage with customers to pass on the cost increase with some success. But a large part of the cost increase needed to be absorbed which weighed on business profitability.

Despite these headwinds, we continued to receive a strong flow of business for all three verticals. Business volumes for our defence batteries, particularly in exports, grew which helped in improving profitability.

We reported a healthy improvement in business performance. Revenue from operations increased by 34% from ₹909 crore in FY21 to ₹1,221 crore in FY22, the pre-covid levels. EBITDA more than doubled from ₹72 crore in FY21 to ₹160 crore in FY22. EBITDA margin stood at 12% in FY22 against 9% in FY21.

We continued to reduce our debt exposure - both long-term and working capital - which has significantly strengthened the organisation's ability to address an exciting future.

Hon'ble
Railway Minister
witnessing the
performance
of TCAS on a
locomotive



Business in FY22

From a business perspective, FY22 kept the entire team happily busy. The achievements comprised project deliveries, interesting order wins and some very satisfying product endorsements which make the HBL journey this far, totally worth it.

Defence

In the Defence vertical, after the commencement of supplies of Type-I batteries for Kilo-class submarine and Varunasthra torpedo batteries, we commenced the manufacture and supply of Type IV batteries for Scorpene class submarines for the Indian Navy.

Further, we have made more progress on the development of advanced Light Weight and Heavy Weight Torpedo batteries for the Indian Navy and expect to complete these development orders in FY24.

Having successfully completed the technology adoption for manufacturing Lithium Ion batteries for defence applications from NSTL (Naval Science and Technological Laboratory) we setup a pilot plant for production of lithium-ion cells. We have received orders from NSTL in manufacture and supply of Li-Ion

batteries in next two years. These orders augur well for our business going forward.

On the operations front, we enhanced our capabilities for manufacturing submarine batteries and streamlined our processes for improving shopfloor productivity across all product lines.

We added another achievement to our defence portfolio. We developed and supplied thermal batteries for powering Agni Prime Missiles tested recently. The success of our batteries was widely appreciated by Defence Research and Development Organisation (DRDO). Additionally, we executed a large export order for the supply of thermal batteries. Based on our disciplined execution, we have received a repeat order which will be executed in the current year.

Electronics

In Electronics vertical, our Train Collision Avoidance System (TCAS) continued to gain traction. We won another contract from Eastern Railway for deploying TCAS over 260 km and 120 locomotives on Delhi-Howrah route in FY23. Further, the team successfully installed the TCAS solution across 347 km of network in South Central Railway. These

installations are suggestive of the growing acceptance of the system which HBL had first demonstrated, with the support of the Indian Railways, on 27 October 2012. We continued to make encouraging progress with the deployment of the Train Management System (TMS) on the Eastern Dedicated Freight Corridor. We hope to complete its installation in the current year.

Batteries

In the Batteries vertical, we made commendable progress. Our Pure Lead Thin plate (PLT) batteries gained acceptance for Data Centre applications and in the Indian Army for diverse applications. We successfully bagged very good orders for our Nickel Cadmium Pocket Plate (NCP) batteries from thermal power stations and the Indian Railways.

On the lead-acid segment, we sharpened our focus on getting and executing quality business which resulted in a better than expected performance. This along with the proposed consolidation of operations would help improve business profitability over the coming years. We made heartening headway in the international markets bagging some



very prestigious orders. We increased our exports of 12V UPS batteries to Africa. As our products deliver on their committed performance, we expect to grow our export business over the coming years.

Electric Drive Trains

We are steadily learning about the development of electric drive train solutions for converting trucks to electric drive. One motor and one

battery module have received the International Centre for Automotive Technology (ICAT) approval. We are confident that our solution would provide a significant impetus to e-mobility in India, designed to be commercially viable for fleet operators, without FAME subsidy.

Overall Business Strategy

We remain steadfast in our articulated strategy of Value Maximisation for the

Company.

We continue to evaluate every opportunity from our profitability mesh. We will deploy our resources for only those opportunities that align with our core business philosophy and the risk-reward aspiration. Further, we will continue to evaluate new products and solutions within our existing businesses to grow our revenue.

Directional focus in FY23

1) Electronics: This vertical is expected to emerge as the key business and profitability driver over the coming years.

We are happy to share that our efforts spanning more than a decade have finally delivered the desired results. In 2021, Indian Railways announced the adoption of TCAS as India's national Automatic Train Protection (ATP) System and re-christened it as Kavach. They have also announced their plan to deploy Kavach over 34,368 km of track, covering high density and highly utilised routes, targeting the completion of this ambitious plan by 2026.

With this intent, the Indian Railways has issued 10 tenders for the deployment of Kavach on the Delhi-Howrah and Delhi-Mumbai routes, its two flagship routes, under Mission Raftar. We have participated in the tenders for Delhi-Howrah route, as the Lead Member of the HBL-Siemens Consortium. The Eastern Railway has awarded us the project for the deployment of Kavach on 120 locomotives and over 260 km of track from Howrah towards Delhi.

Additionally, as the lead member of a consortium with Shivakrithi International, we have also been declared as the lowest bidder in two tenders in West Central Railway and Western Railway, on the Delhi-Mumbai route. Contracts for this tenders are expected to be awarded shortly.

The other major opportunity for Kavach (TCAS) is Vande Bharat Trains (Train 18), another flagship project of the Indian Railways. The Railways has decided to equip all new Vande Bharat Trains being produced with TCAS on board in the railway factory itself. We are happy to mention that HBL has received an order for 46 TCAS systems to be installed on new Vande Bharat Trains being produced at ICF for which deliveries are scheduled in the second half of FY23.

FY22 was, then, a landmark year of building and putting the pieces in place for our next leap forward. We will intensify our focus on completing our TCAS and TMS projects aided by our newly deployed ERP-enabled project management system and leveraging the insights gained through initial implementations. We will seek larger and more complex projects in these spaces (TCAS and TMS). And in the years ahead, we will capitalise on our initiatives and achievements to build our growth momentum.

In our electric drive train business, we will develop more parts for approval in the current year. This will be followed by offering the entire prototype for approval in the next 12-18 months.

2) Defence: This vertical has delivered an exceptional performance in FY22 and is poised to sustain the momentum in the near term. Our positivity stems from India's unwavering focus on strengthening

its domestic capabilities and export opportunities.

Having commenced deliveries of Type I & IV submarine batteries, we see a sizeable opportunity unfolding before us. We initiated the design and development of the Submarine Type II (HDW class) batteries in FY22; the prototype testing is in progress. We expect to commence production and supply of these batteries in the current year. These developments further entrench our presence in the submarine space.

We will work singularly on completing the development efforts of lightweight and heavy-weight torpedo batteries leveraging new chemistry. Having made considerable headway in the Indian defence space, we plan to expand our horizons. As a first step towards this ambition, we will seek to widen export opportunities around thermal and submarine batteries.

The success of our thermal batteries used in the Agni Prime Missile has deepened our engagement with the DRDO. We are now developing various solutions for the DRDO which would further widen our opportunity canvass.

Our established credibility in the thermal battery space reflected in the DRDO approval and initial success in exports should help us garner additional business from international markets.

3) Batteries: Having covered considerable ground in establishing the PLT batteries as a superior power backup solution for data centres, we will continue to deepen our engagements with all major data centre players in India for shifting to this solution. This could emerge as an interesting opportunity as the Indian data centre industry's capacity is expected to witness a five-fold increase. After our initial success with PLT batteries in the Indian Army, we hope to extend the usage of such batteries for various applications.

In the NCPP battery space, we garnered encouraging volumes in the domestic markets. We will now focus on enlarging our overseas presence through our agency network and intensifying customer engagement to increase volumes and gain market share in international markets. We will identify and enter new geographies for Nickel Cadmium Fibre Plate (NCFP) batteries for rail applications.

We will continue to sharpen our focus on enhancing the quality of business and streamlining operational efficiencies to further scale profitability. These strategies will help HBL stand out among the handful of battery manufacturers as a technology champion that focuses on adding value to its customers through differentiated products.

Our mid-term aspiration: Our overall business continues to transform in favour of better-margin portfolios. Our Electronics and Defence verticals are high margin spaces. We believe that these verticals will report a growth over the coming years owing to recent product approvals, order flows, export opportunities and new avenues.

Our battery vertical comprises a combination of decent and low margin segments. The NCPP and PLT batteries, generate healthy returns. The lead-acid battery space has become commoditized and hence competitive. Our investments of funds, resources and time would be towards all our better-margins verticals.

For our low-margin business, we will work to ensure that it continues to remain self-sustaining and adds to our profits and cash flow in a reasonable manner. Barring unforeseen adversities, we expect the result of our efforts to yield healthy returns in the next 3-4 years.

Prospects for FY23

While prospects are good, we remain cautiously optimistic owing to the prevailing headwinds namely continuing volatility in metal prices, rupee depreciation, higher interest rate, and overall cost increase in the entire spectrum of inputs.

We realise that they have a significant bearing on opportunities turning into reality and on the profitability of the organisation. We will strengthen our operational discipline to improve shopfloor efficiencies. We will cautiously deploy cash and continue to maintain a debt-free or low-debt status.

Having said this, we remain positive about our growth in the current year with the hope of growing shareholder value once again.

In closing

We will continue to work very diligently to ensure that HBL's vision remains the basis of our culture, to organise Indian Engineering Talent for the benefit of India, our employees, suppliers and shareholders. To that end, we continually shape the Company, strategically choosing the businesses in which we compete, the areas of research in which we invest, and the competencies which we build, to achieve the optimal configuration for success and a safer journey as we move forward with disciplined determination.

Finally, we would like to thank our shareholders, employees, suppliers and all other stakeholders for believing in our

vision, reposing their confidence in our capability and extending their support in our efforts for filling technology gaps in India.



WARM REGARDS,
THE MANAGEMENT TEAM

MANAGEMENT DISCUSSION & >>

ECONOMIC OVERVIEW

THE Indian economy witnessed a resurgence in FY22. After contracting in FY21 (ending March 31, 2021), the Indian economy grew by 8.7% in FY22, according to revised estimates, as compared to the contraction of 6.6% in FY21 suggesting that economic activity in India has surpassed pre-pandemic levels.

Timely interventions and relief measures announced by the Government and regulators like the extension of the Emergency Credit Line Guarantee Scheme in May 2021 to certain impacted industries, creation of employment and building of healthcare infrastructure, facilitated spurring economic progress.

On the back of economic recovery, the Centre's gross tax revenue stood at ₹27.07 lakh crore in FY22 growth

of 34% over a mop up of ₹20.27 lakh crore in FY21. The sharp rise in the collections lifted the tax-GDP ratio to the highest ever 11.7% - 6.1% for direct taxes and 5.6% for indirect taxes.

External trade recovered strongly during FY22. Both exports and imports surpassed the pre-covid level. India's overall exports, comprising both services and merchandise touched a record high of US\$676.2 billion in FY22, up 28.4% from US\$526.6 billion in FY21.

ANALYSIS

Capital inflows remained strong which led to better accumulation of foreign exchange reserves. According to RBI data, as of 31st March 2022, India's Forex reserve was at US\$607.3 billion which is equivalent to 12 months of merchandise imports in 2021-22. New investment and capex announcements by the private sector saw a 145% year-on-year rise in FY22 over the previous fiscal. FY23 appears to be a tough year as India is facing the external pressures

of higher commodity prices, US dollar dominance, and tightening financial conditions. The higher-than-expected inflation could erode consumer purchasing power which may impact private consumption. The interest rate hike announced by the RBI in its recent Credit Policy could take a toll on investments. As a result it is expected that India's GDP growth could scale down a little to 7-7.5% in FY23.

⊖ ⊕
India has recorded the "highest ever" annual FDI (foreign direct investment) inflow of US\$83.57 billion in FY22; it stood at US\$81.97 billion in FY21.
⊕ ⊖

BUSINESS VERTICAL-1
ELECTRONICS



As the name suggests, this is a hi-tech business vertical developing and offering comprehensive solutions leveraging in-house knowledge. This enables the team to customise and upgrade solutions to align with diverse customer requirements.

The solutions offered are pioneering; hence take some time for trials before they can be launched. Once launched, they make the Company stand out among the clutter owing to its meaningful contribution to an Atmanirbhar Bharat. These niches and pioneering solutions make this

vertical an important business and profitability driver for the HBL. The Company has created two sub-verticals - Railway Electronics and Electric Mobility - under this division to ensure adequate attention to each segment.

Railway Electronics

India has the second largest railway network in the world, but the Indian Railways is plagued with sub-optimal track utilisation and unsafe operations leading to train accidents that caused incalculable losses - to lives and infrastructure.

Realising these shortcomings, HBL decided to develop technology solutions which promise safer and seamless railway track utilisation. The

Company's flagship products in this vertical are the TCAS (Train Collision Avoidance System) and TMS (Train Management System). While the former addresses the issue of safety, the latter is designed for efficient track utilisation - both these aspects feature very high on the priority list of the Indian Railways.

TCAS: This solution has come a long way since its ideation and development to emerge as the

sought-after solution by the Indian Railways. The Company's effort for more than a decade in development and field trials have borne fruit as the solution is preferred across the railway network. It is being deployed across 84 km in the Mathura-Palwal section (coming under the North Central Railway zone) which is the busiest section of the Indian Railways network.

Approval and improvement progress	Order wins for HBL
Nov 2018 Approved by RDSO for deployment in absolute block sections	FY20 Received an order for installing TCAS over 347 km of track and 30 locomotives from the South Central Railway
Jan 2020 Approved for deployment in the auto-signalling section	FY21 Won a contract for the installation of TCAS across 84 km in North Central Railway in the Mathura-Palwal section
Jul 2020 Approved for deploying TCAS for train speeds of up to 160 km/hr	FY23 <ul style="list-style-type: none"> ● Won a contract from Eastern Railway for deploying TCAS over 260 km and 120 locomotives in Delhi-Howrah route ● Successfully bid for two tenders in West Central Railway and Western Railway, on the Delhi-Mumbai route

HBL recently collaborated with Ericsson to set up a first-of-its-kind LTE communication infrastructure at its R&D center to develop TCAS and LTE interfaces. The Company also signed an MoU with Ericsson, under which HBL will deploy LTE networks for the Indian Railways.



TCAS - Certified and Applied

- HBL's TCAS system is certified for SIL4 by ItalCertifer, a European safety assessment agency
- HBL's manufacturing processes for the TCAS system were certified as compliant with CENELEC standards by ItalCertifer
- HBL installed TCAS in 347 km of track in South Central Railway and is the first to complete the specific application safety assessment, by ItalCertifer



TMS: Indian Railways has been working hard to improve the utilisation of its track network. But not much has been achieved on a holistic basis as different solutions are not seamlessly communicating with each other. HBL has developed a unique and comprehensive Traffic Management System (IRTMS) which integrates the functioning of various sub-systems (like TCAS and Electronic Interlock, among others) to deliver enhanced operational benefits.

The TMS promises to increase the line capacity and improve the run-time of the trains while offering centralised traffic control and faster emergency response time. The Company demonstrated the benefits of this system to the RDSO through a pilot project for its approval. The team successfully completed the execution of the TMS project for the Eastern Railway in the Sealdah Division.

Further, the Company continued to make good progress on the deployment of TMS on the Eastern Dedicated Freight Corridor.

Electric Mobility

The Company has developed Electric Drive Train kits for retrofitting light commercial vehicles and passenger buses. The kit comprises of a high-efficiency traction motor, power electronics controller, high-power lithium battery packs and other associated electronics. Though the development of the drive train solution is a little slow, the solution’s integrity is encouraging.

HBL has secured approval from ICAT for one rating, the rest of the ratings will be offered for testing by ICAT during the current financial year. HBL is also hopeful of securing approval for vehicles using its drive train solution.



Medium-term opportunities

Kavach: In 2021, Indian Railways announced the adoption of TCAS as India’s national Automatic Train Protection (ATP) System and re-christened it as Kavach. It also announced its plan to deploy Kavach over 34,368 km of track, covering high density and highly utilised routes, targeting completion by 2026. This is an aggressive target. It issued 10 tenders for the deployment of Kavach on Delhi-Howrah and Delhi-Mumbai routes, under Mission Raftar. These are two flag-ship routes for the Indian Railways.

HBL participated in tenders for the Delhi-Howrah route, as the Lead Consortium member of the HBL-Siemens Consortium. HBL was awarded the project, by Eastern Railway for the deployment of Kavach on 120 locomotives and over 260 km of track from Howrah towards Delhi. The Company successfully bid for two tenders in West Central Railway and Western Railway, on the Delhi-Mumbai route

Train-18: This is the fastest train running on the Indian Railways network, doing 180 kmph. It was

designed by Integral Coach Factory as a modern train set with many features for passenger comfort, ride quality and relatively higher speed and better aesthetics than current trains. What it lacked was an automatic train protection system. Indian Railways now decided to equip all new Train-18s being produced with TCAS ATP system, in the factory itself, rather than making it an after-thought several years after introducing these trains. Going forward all locos will be fitted with TCAS ATP, as OE fitment.

Budget 2022-23

ON A FAST TRACK
BUDGET ADDS **400 MORE VANDE BHARAT TRAINS**

100 PM Gati Shakti cargo terminals in three years	2,000 km of network to be brought under Kavach	Multi-model connectivity to be prioritised
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ONE STATION-ONE PRODUCT CONCEPT TO BOOST LOCAL ECONOMY

ALLOCATION UP 27.5% to ₹140,367.13 crore	OPERATING RATIO PEGGED AT 96.98%
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SOURCE: <https://economictimes.indiatimes.com/industry/transportation/railways/budget-impact-rail-logistics-to-enter-speed-track/articleshow/89284120.cms>



BUSINESS VERTICAL-2
DEFENCE


As a master in niche technologies, HBL manufactures specialised batteries for diverse mission-critical applications such as fighter aircraft, unmanned aerial vehicles, submarine

propulsion systems, torpedoes, battle tanks, missiles and artillery fuses. The Company also exports batteries to other nations for defence applications. This vertical shores the

business returns and brand respect for the Company. Moreover, it provides reasonable revenue visibility as any part approval with the defence takes considerable time and effort.

FY22 was a defining year for the vertical as demand for the Company's products gained traction. As a result, revenue grew by close to 200% over the previous year.

The team continued to manufacture and deliver Type I batteries for Kilo-class submarines and Varunasthra torpedo batteries for the Indian Navy. In FY22, it delivered the first shipment of Type IV batteries for Scorpene class submarines for the Indian Navy.

Additionally, the development team made encouraging progress on the

design and development of the Submarine Type II (HDW) batteries. This is a prestigious contract from the Indian Navy.

In keeping with these opportunities, the Company enhanced the manufacturing capacity of submarine batteries.

The Company progressed in the development of Light Weight and Heavy Weight Torpedo batteries for the Indian Navy. It expects product approvals in the current year and plans to execute the development orders in FY24.

Subsequent to the successful technology transfer in the previous year, and the heartening progress made in the development of Li-Ion

batteries, the Company received production orders for Li-Ion batteries for Defence applications from NSTL (Naval Science and Technological Laboratory). This could open a significant opportunity window for the Company going forward.

On the export front, the Company executed supplies of thermal batteries to overseas high-value contracts obtained in the previous year. The inquiries from overseas customers continue to be encouraging and it is expected to lead to significant business in the coming years.

The Company's progress in securing approvals for artillery fuses is encouraging.



Medium-term opportunities:

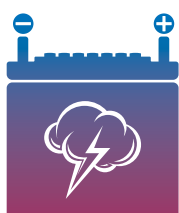
Powered by Atmanirbhar Bharat Abhiyan, Indian defence manufacturing is undergoing a massive indigenisation drive. Programmes like Innovations for Defence Excellence (iDEX) are probably going to play a major role in it. In the 2022-23 budget announcements, the Government assured that 68% of the capital procurement budget will be from domestic industry; in 2021-22 it was 58%.

Moreover, the defence R&D will be opened up for industry and academia. The Government's plan to induct indigenously built submarines by 2030 provides considerable promise for the vertical. With the P-75 segment (Phase 1) complete, the Government has set its eyes on expediting the implementation of the second phase, P-75I which envisages the

construction of six conventional submarines with better sensors and weapons and the Air Independent Propulsion System (AIP).



BUSINESS VERTICAL-3
BATTERIES



The battery division continues to be a major revenue contributor for the Company. It showcases HBL's prowess

in seamlessly managing complex battery technologies to develop and deliver a wide range of industrial

batteries that cater to a wide array of user sectors namely Telecom, UPS, Railways, Solar, Oil & Gas and Power sectors.

Lead Acid Batteries

Until some years ago, these batteries were the mainstay for the vertical with major supplies to telecom companies. But adverse changes that transpired in the telecom sector dulled the business ecosystem. As a result, HBL has limited its exposure in the telecom sector and cherry-picked only profitable projects and continued to widen its presence in other user sectors.

In FY22, the Company bagged a prestigious defence order for 2V VRLA batteries from the Indian Army for their Data Centre application. It also bagged orders for NCPP & VRLA batteries for various Metro

Rail projects through OE's & EPC's. The Company also regained its BSNL business by securing payment terms. On the export front, HBL made inroads in Africa with the supply of 12V UPS batteries. The team also focused on merchant exports and supplied batteries to various projects globally.

Moreover, as the 'Preferred Partner' for the Bharat net Wi-Fi Project, HBL powered more than 20K installations in FY22.

To emerge more competitive in the highly competitive lead-acid battery space, the Company implemented various cost optimisation and efficiency-enhancing projects around automation, quality and productivity improvements and value-engineering. The Company also enhanced the 12V UPS battery capacity to meet surging demand.

Tubular Gel Batteries

As a preferred vendor in the ESS space, the Company continues to secure several orders from this segment. In FY22, one of the key achievements was the conversion of the requirement of LMLA to TGEL in certain state Renewable Energy Development Authorities. HBL also bagged an order for Tubular Gel batteries for electrifying 312 villages under a Government program.

Pure Lead Thin Plate Batteries (PLT)

The Company continued to focus on growing its presence in the Data Centre space by positioning PLT batteries as a superior value-proposition. HBL remained an exclusive partner to STTelemedia for the supply of PLT batteries for existing and upcoming Data Centres. It also

bagged an order from COLT, Data Centre for PLT batteries.

HBL successfully positioned PLT as preferred batteries for Data Centres at Reliance. The Company's team is also working closely with major upcoming projects of large Data Center players operating in India which will increase penetration.

The Company has supplied PLT batteries for battle tank engine cranking application to the Indian Army. It is fortifying the position as the most suitable battery for Diesel Generator cranking application.

Nickel Cadmium Pocket Plate (NCP) batteries: HBL made considerable progress in marketing these batteries in India and across the globe. The Company delivered Nickel Cadmium batteries for large overseas contracts for diverse applications.

Under the Government initiative of electrifying the railway network, the Company is receiving sizeable orders for supply of NCP batteries for

pantograph lifting application. HBL also bagged a large order from a PSU (a power major) for installation at its thermal power projects. In addition, the Company successfully converted specifications from flooded lead acid (Plante) to Ni-Cd with large private and government players in important user sectors.

The Company made meaningful changes at its shopfloor processes to improve efficiencies, product quality and optimise costs. It is also focusing on improving collection of used batteries for environment-friendly disposal through efficient recycling. It also adds to the Company's economic viability.



➤ HBL executed part order of BHEL (Nigeria Project) for NCP batteries. This is the single largest order so far.

Medium-term opportunities:

Telecom: 5G in India is here. Telcos are readying to roll out their services with speed. But ahead of the rollout of the high-speed 5G network, the government is set to give a massive push to telecom infrastructure across the country with plans to add as many as eight lakh new mobile towers over the next two years - more than double the current strength.

Moreover, a typical 5G base station consumes up to twice or more the power of a 4G base station. According to Huawei data on RRU/BBU needs per site, the typical 5G site has power needs of over 11.5 kilowatts, up nearly 70% from a base station deploying a mix of 2G, 3G and 4G radios. These factors will lead to an increased power consumption and resultant demand for back-up power solutions.

Data Centers: The Indian data centres (DC) market is witnessing healthy growth primarily driven by large hyper-scalers like Amazon web services, Google, Microsoft, Facebook, IBM, Uber, Dropbox that are outsourcing their storage needs to third-party DC providers. According to ICRA, The Indian data centers

industry's capacity is expected to witness a five-fold increase as it is expected to add an overall 3,900-4,100 MW of capacity in the next five years.

Metro railway: In addition to the 22 cities (including metros) in which Metro projects are underway, metro and metrolite projects are approved/ in planning stages in additional 23 cities.

Railways electrification: The Indian Railways' ambitious plan to electrify its entire network by 2023-24 is almost complete. The national transport company has successfully completed electrification of 81% of its track. This important step will increase the demand for NCPP batteries.

Oil & Gas pipeline: Energy consumption in India is increasing rapidly. In 2022 alone, demand growth in natural gas is anticipated to accelerate by almost 8% to 34,949 million standard cubic metres in the backdrop of strong GDP growth, expanding infrastructure and rising domestic production. According to Global Data, India is expected to lead the growth in terms of global trunk/

transmission pipeline additions for planned and announced projects, by contributing 20% of total global planned and announced projects by 2026. India is expected to have a total planned pipeline of 23,839 km and an announced pipeline length of 5,095 km by 2026. This will enhance the demand for Ni-Cd batteries.

Flue Gas Desulphurisation (FGD): FGD is a technology that removes sulfur dioxide (SO₂) from exhaust flue gases of fossil-fuel power plants. Ni-Cd battery is a preferred battery technology in this system to provide backup power and UPS control. To achieve the target emission standard, India initially set 2017 as the deadline for installing FGD units in all thermal power plants, but later it was extended up to 2022. As of December 2022, an estimated 61% of all the coal-based power plants located near million plus population is going to achieve the target. This will increase the demand for Ni-Cd batteries.



HUMAN RESOURCE



People are the foundation for HBL's success. It's the people, their intellectual capital, dedication and disciplined determination, which differentiates the Company from others in its business space and makes it stand out as a doyen in technology-based innovative solutions.

The innovative spirit and hardworking mindset of our team which consists of 1,600+ members (including 300+ engineers) have made it possible for the Company to develop groundbreaking products like highly complex signaling solutions for the Indian Railways and different types of batteries for defence application and

industrial energy storage solutions which have widened the business horizon for the Company. HBL believes in upskilling the team. It inculcates a culture of self-learning where team members can be encouraged to expand their horizons in the latest scientific and digital developments and other areas of their

interest which align with business goals. The Company focuses on creating a safe and amiable working environment that fosters team bonding.



QUALITY MANAGEMENT



List of firsts

- HBL is the first company in India to get IRIS conformity assessment certification way back in 2009
- HBL is the first company in India to get Silver level certification (upgraded from the previous Bronze level) from International Railway Industry Standard (IRIS)



For HBL, quality is not a practice but a culture that is neatly woven into the Company's fabric and reflected in its choices, customers and certifications.

Since its inception, the Company has always chosen to tread the road less traveled. This is reflected in its business space – such as Defence, Railways and exports. The Company's passion for quality is reflected in the following:

Quality infrastructure: The Company's central test facility at its Shamirpet campus is the only NABL accredited laboratory in India (as per ISO 17025) with the facility and capability of testing all the applicable tests of IEC 60623: 2017, IEC 62259: 2003, IEC 60896:2004 and IEC 61427:2013. Additionally, the Company's products are tested and certified by reputed third-party inspection agencies, Dekra India limited and Intertek EU, periodically.

Process approval: The Company's business processes have received credible global watermarks such as ISO 9001-2015, ISO14001-2015, ISO 45001-2018, and ISO 22163-2017 – IRIS- Rev 3 (Railway business) and AS 9100D (Aviation, Space and Defence Organisations).

Global tools: The Company has deployed globally accepted quality management tools such as Quality Circles, 5S and Six Sigma. It is encouraging team members to undertake training and certification courses for Six Sigma. HBL has engaged consultants to inculcate lean practices across all business verticals.

Approval by global aviation giants: It is approved by FAA (Federal Aviation Administration), USA for the supply of onboard nickel-cadmium batteries for Boeing aircrafts. It is also an OEM supplier of onboard nickel-cadmium batteries for aircrafts manufactured by IAI (Israel Aerospace Industries), and Bombardier.

Other stringent clients: The Company caters to the stringent requirements of the Indian Defence forces, the Indian Railways and Data Center customers. Its products have received the stamp of approval from these key customers and supplies are only expected to increase over the coming years.



INTERNAL CONTROL & ITS ADEQUACY

HBL maintains a system of well-established practices and procedures for effective internal control of operations and other allied activities.

The internal audit function is strengthened, from time to time, in consultation with statutory auditors and the Audit Committee for monitoring compliances and operational aspects.

The Company has appointed an independent agency as internal auditors. The prime objective of this audit is to test the adequacy and effectiveness of all internal control systems and suggest improvements. Material controls and systems-related

issues are brought to the attention of the Audit Committee for periodic reviews.

The Company is diligent in adhering to various QMS standards and standard operating practices in its manufacturing and operating activities.

Key financial ratio

In accordance with the amendments notified in Regulation 17 of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 on May 9, 2018, the details of significant changes in the key financial ratios as compared to the immediately previous financial year are reported hereunder:

Particulars	As at March 31, 2022	As at March 31, 2021	Change	Reason for change
Debtors' turnover	4.20	3.08	36%	Improved sales for similar levels of Debtors
Inventory turnover	4.18	3.10	35%	Improved sales for similar levels of Inventory
Interest coverage ratio	46.81	3.29	1323%	Increased profitability & lower Interest costs
Current ratio	3.55	3.09	18%	-
Debt equity ratio	0.07	0.00	18%	-
Operating profit margin (%)	8.22	3.28	151%	Increased profitability
Net profit margin (%)	7.25	1.44	403%	Increased profitability
Return on net worth (%)	10.15	1.65	515%	Increased profitability



HEALTH, SAFETY & ENVIRONMENT



HBL received the “Outstanding Contribution Award” for maintenance of Greenery in the unit from the Vishakhapatnam SEZ Authorities on the occasion of the 32nd Zone formation day celebrations.

On occasion of “75 Years of Azadi Ka Amrit Mahotsav”, Telangana State Pollution Control Board has nominated HBL and issued appreciation certificate for adopting best practices in environmental protection.



Health: As part of its policy of prioritising the well-being of our human capital, the Company takes care of our team members’ health. To keep its team in good health, the medical team does periodic health check-ups of all team members to identify and proactively address health issues.

Safety: HBL believes in the philosophy ‘a safe workplace is an efficient workplace’. In keeping with this belief, the Company work towards increasing the safety quotient within its facilities. The Company’s safety team regularly organises fire safety drills, accident prevention and disaster control measures.

During the multiple waves of the Covid-19 pandemic, the Company adopted a no-compromise approach with regards to social distancing norms and the sanitisation of its facilities and strictly adhered to all other government-defined norms to curb the spread of infections. Furthermore, all the team members were also insured against Covid. Additionally, the Company organised multiple vaccination drives at its facilities to vaccinate its employees. It also installed a new and sophisticated fire hydrant system at its facilities to enhance safe working conditions.

Environment: As an ISO 45001:2018 certified company, HBL sustains its efforts to fulfill its commitment to protecting and preserving the environment.

As an environmentally responsible corporate citizen, HBL practices the 3R approach - reduce, reuse, recycle in all of its facilities. It has sustained the zero-liquid-discharge status of its facilities for two decades. The Company actively encourages afforestation of the vacant lands around its facilities. The Company encourages its vendors to adopt its Environment and Social Responsibility Code of Conduct.



CORPORATE SOCIAL RESPONSIBILITY



As a socially responsible organisation, HBL remains committed to working for the upliftment of the community. HBL has been taking up Social Responsibility activities to improve standards of living for needy people with an approach of reaching out directly to the beneficiaries, and also working with institutions that work for beneficiaries since 2007, well before the mandatory requirements under the Companies Act 2013.

Its work is predominantly focused on the creation of economic development through the direct and indirect investment of time, effort and funds. Its community engagement channels can be broadly classified into the following streams

Healthcare: HBL firmly believes that the well-being of children (between the ages of 3-6 years) is essential to creating vibrant and prosperous societies. As UNICEF states that “Healthy children become healthy adults; people who create better lives for themselves, their communities and their countries”.

HBL supports 95 Anganwadi centers which support more than 2,200 children between the tender age group of 3-6 years. In FY22, the Company identified and developed one Anganwadi Centre at Vizag as its MODEL CENTRE by providing all the amenities required for the upbringing of the children.

Education: Economy and the society immensely benefit from the education of the girl child. For it is proven that a woman’s contribution to the family far exceeds that of a man. However, poverty can be an undermining factor that keeps young girls away from education. HBL actively works towards removing financial obstacles between a girl and her right to education by running several scholarship programmes. The Company also supports pre-primary and primary education by providing innovative learning aids, digital education aids and creating a joyful school environment, thereby drawing kids to attend school. It also organizes competitions & annual day celebration events which help in identifying and encouraging children’s talents. The Company also encourages girl students to undertake higher education.

Sanitation: One important aspect of community development is the cleanliness of the neighbourhood. It helps in keeping diseases away. HBL regularly conducts community development programmes with local communities where concepts of cleanliness, hygiene and sanitation are discussed with individuals to increase awareness.

Potable Water: HBL works actively with local communities to create and maintain safe drinking water facilities which cater to the overall well-being and health of the people.

Well-being: HBL works with prominent NGOs like Akshaya Patra Foundation, Anuraag, NICE (Needy Illiterate Children Education) and Jyothi Ashram (an orphan home) for the upliftment of the underprivileged and children with special needs.



CORPORATE INFORMATION

REGISTERED OFFICE:

8-2-601, Road No 10, Banjara Hills, Hyderabad – 500 034, Telangana State.
 CIN: L40109TG1986PLC006745
 Phone: 040-23355575, Fax: 040-23355048
 E-Mail: contact@hbl.in; investor@hbl.in

BOARD OF DIRECTORS

Executive Directors
 Dr. A J Prasad Chairman & Managing Director
 Kavita Prasad Whole Time Director

NON-EXECUTIVE INDEPENDENT DIRECTORS

P Ganapathi Rao
 Preeti Khandelwal
 K V Sriram
 Richa Datta
 Dr. Ramanujulu Nandakumar Ramnath (w.e.f. 13.08.2021)

NON-EXECUTIVE NON-INDEPENDENT DIRECTORS

Advay Bhagirath Mikkilineni (w.e.f. 21.06.2021)
 Ajay Bhaskar Limaye (upto 13.04.2021)
 Abhishek G Poddar (upto 21.06.2021)

AUDIT COMMITTEE

P Ganapathi Rao Chairperson
 Preeti Khandelwal Member
 K V Sriram Member
 Richa Datta Member
 Kavita Prasad Member

KEY MANAGERIAL PERSONNEL

K. Sridharan Chief Financial Officer
 MVSS Kumar Company Secretary
 M S S Srinath President

BANKERS

State Bank of India
 Axis Bank Limited
 ICICI Bank Limited

AUDITORS

Statutory
 M/s. Rao & Kumar
 Chartered Accountants
 10-19-15, Soudamani,
 Siripuram Visakhapatnam 530 003, Andhra Pradesh

COST

M/s. Narasimha Murthy & Co.
 Cost Accountants,
 3-6-365, Pavani Estates, Y V Rao Mansion Himayatnagar,
 Hyderabad - 500 029, Telangana

SECRETARIAL

CS Vinay Babu Gade
 Practicing Company Secretary
 #4-65, Koheda, Hayatnagar,
 Hyderabad – 501511, Telangana

REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Private Limited
 Karvy Selenium Tower B, Plot 31-32, Gachibowli,
 Financial District, Nanakramguda, Hyderabad – 500 032.
 Tel : +91 040 67161530
 e-mail: mailmanager@karvy.com

NOTICE

Notice is hereby given that the Thirty-sixth Annual General Meeting of the members of HBL POWER SYSTEMS LIMITED will be held on Tuesday, September 27, 2022 at 4.00 p.m. through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (standalone and consolidated) of the Company for the financial year ended March 31, 2022 together with the reports of the Board of directors and auditors thereon.
2. To declare dividend for the year ended March 31, 2022.
3. To appoint a director in place of Mr. Advay Bhagirath Mikkileneeni (DIN 09207003) who retires by rotation and is eligible for re- appointment.
4. To appoint auditors and to authorize the Board to fix their remuneration.

“**RESOLVED THAT** pursuant to the recommendations of the Board of Directors (including Audit Committee), provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment or enactment thereof, for the time being in force), M/s. LNR Associates (FRN: 05381S), Chartered Accountants, Visakhapatnam be and are hereby appointed as independent Statutory Auditor of the Company in place of M/s Rao & Kumar, Chartered Accountants (FRN 03089S) Visakhapatnam, the retiring independent statutory auditor, to hold the office for a period of five years from the conclusion of this Annual General Meeting (Thirty-sixth) till the conclusion of the Annual General Meeting of the Company to be held in the year 2027, subject to ratification of members at every year Annual General Meeting, at such

remuneration plus applicable taxes and reimbursement of out-of-pocket expenses in connection with the Audit as may be mutually agreed between the Board of Directors of the Company.”

SPECIAL BUSINESS:

5. **Re-appointment of Mr. Karipineni Venkata Sriram (DIN: 00073911) as an Independent Director**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149(10), 150 and 152 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 (‘Act’) read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 17(1C) of the SEBI listing regulations and the existing Articles of Association of the Company, and basis the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mr. Karipineni Venkata Sriram (DIN:00073911), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director on the Board of the Company, not liable to retire by rotation for a second term of five consecutive years commencing from February 07, 2023 till February 06, 2028;

RESOLVED FURTHER THAT the Company Secretary of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

6. **Re-appointment of Mrs. Richa Datta (DIN: 08084501) as an Independent Director**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149(10), 150 and 152 of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 ('Act') read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), Regulation 17(1C) of the SEBI listing regulations and the existing Articles of Association of the Company, and basis the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Mrs. Richa Datta (DIN:08084501), Independent Director of the Company who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director on the Board of the Company, not liable to retire by rotation for a second term of five consecutive years commencing from March 15, 2023 till March 14, 2028;

RESOLVED FURTHER THAT the Company Secretary of the Company, be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.”

7. **Approval to borrow in excess of paid-up capital and free reserves under Section 180(1)(c) of the Companies Act, 2013.**

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT in supersession of the earlier resolution passed by the Members of the Company through a postal ballot in the year 2018, the Board of Directors of the Company be and is hereby authorized in accordance with the provisions of Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modification(s) or reenactment thereof for the time being in force), to borrow periodically, including without limitation, from any Banks and/or public financial institutions as defined under

Section 2(72) of the Companies Act, 2013 and/or any foreign financial institution(s) and/or any entity/entities or authority/authorities and/or through suppliers credit securities instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures (both convertible and nonconvertible), commercial papers, short term loans, working capital loans, or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings including external commercial borrowings from the private sector window of multilateral financial institutions, either in Indian Rupees or in such other foreign currencies as may be permitted by law from time to time, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company; its free reserves (that is to say reserves not set apart for any specific purpose) and securities premium account, subject to such aggregate borrowings not exceeding the amount which is ₹1,000 crores (Rupees One Thousand Crores only) and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

8. **Authority under Section 180(1)(a) of the Companies Act, 2013 to sell, lease or otherwise dispose off, to mortgage/ create charges on the properties of the Company.**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the special resolution passed by the Members of the Company at their meeting held on December 27, 2014, pursuant to the provisions of Section 180(1)(a) of the Companies

Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder, including any statutory modification or re-enactment thereof, for the time being in force (the "Act"), and in supersession of all the earlier resolutions passed in this regard and such other approvals/sanctions/permissions as may be necessary, the Members of the Company be and is hereby accord their consent to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee(s) constituted/ to be constituted by the Board to exercise its powers including the powers conferred by this resolution and with the power to delegate authority to any person or persons) to sell, lease or otherwise dispose off, to mortgage, charge, hypothecate, pledge or otherwise, encumber from time to time, movable and/or immovable, tangible and/or intangible properties/assets, both present and future and/or whole or substantially the whole of the undertaking(s) of the Company in such form, manner and time as the Board may deem fit, for securing any loans and/or borrowings and/or advances and/or guarantees and/or any financial assistance whether all/ any of such financial assistance taken or to be taken in foreign currency and/or Rupee currency by the Company and/or affiliates/associates Companies from any lender including without limitation, any bank, financial or other institutions, non-resident Indians, foreign institutional investors and/or public financial institutions as defined under Section 2(72) of the Act and/ or any other persons, bodies corporates and/or eligible foreign lenders and/ or any entity/entities, machinery suppliers and/or any other person(s) or institution(s) providing finance for purchase of assets/business of the Company or for working capital or for purchase of specific items of machinery and equipment under any deferred payment scheme or bills discounting/rediscounting scheme or in favour of trustees for debenture holders that may be appointed here after, as security for the debentures/ bonds that may be issued by the Company, Group Companies, Associates Companies and other person or persons together with interest, cost, charges, expenses and all other monies payable by the Company, Group Companies, Associates Companies and other person or persons to the said lender(s) and/or for the purpose of securing the securities (comprising of fully/partly convertible and/or non-convertible debenture and/or any other debts instruments with or without detachable or non-detachable warrants and/or secured premium

notes and/or floating rate notes/bonds or other debt instruments) together with interest, remuneration of the trustees, premium, if any, on redemption, costs, charges and expenses payable by the Company in terms of the trust deed/other documents to be finalized and executed between the Company and the trustees/lenders and containing such specific terms and conditions (which may include authorization to the lender to transfer / assignment of security in favour of third party) and covenants in that behalf and agreed to between the Board of Directors and the trustees /lenders, up to a value of and within the overall limits of ₹1,000 crores (Rupees One Thousand Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

9. **Approval for making investments / extending loans and giving guarantees or providing securities in connection with loans to Persons / Bodies Corporate u/s 186 of the Companies Act, 2013.**

To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a Special Resolution

"RESOLVED THAT, pursuant to the provisions of Section 186 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any modification or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Board be and is hereby accorded to the Board of Directors of the Company to

- I. give any loan to any person or other body corporate;
- II. give any guarantee or provide any security in connection with a loan to any other body corporate or person and
- III. acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, as they

may in their absolute discretion deem beneficial and in the interest of the Company, subject however that the aggregate of the loans and investments so far made in and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate along with the additional investments, loans, guarantees or securities proposed to be made or given or provided by the Company, from time to time, in future, shall not exceed a sum of INR 60 Crores (Rupees Sixty Crores only) which is within the limit prescribed u/s 186 of the Companies Act, 2013.

“RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution any Director and/or Company Secretary of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

10. Approval for loans, investments, guarantee or security u/s 185 of Companies Act, 2013

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT, pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder as amended from time to time, subject to approval of the members of the Company, consent of the Board be and is hereby accorded to give inter-corporate loans, including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the company, (in which any director is deemed to be interested) not exceeding an aggregate sum of INR 25 Crores (Rupees Twenty five Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.

“RESOLVED FURTHER THAT, for the purpose of giving effect to this resolution any Director and/or Company Secretary of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

11. Authorisation to enter into related party transaction

To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED THAT of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, pursuant to the provisions of Section 188 and all other applicable provisions if any, of the Companies Act, 2013 (“the Act”) and Listing Agreement and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the Company be and is hereby accorded to ratify and approve all existing and future contracts / agreements / transactions/ arrangements with the following related parties and authorize the Board of Directors of the Company to enter into such contracts and/or agreements, arrangements, transactions with related parties, defined under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the listing regulations, with respect to sale and purchase, of supply of any goods, avail or service including capital goods, or materials, selling or otherwise disposing off, or buying, leasing of property of any kind, availing or rendering of any services, appointment for purchase or sale of goods, materials, services or property or any other transaction of whatever nature on such terms and conditions as the Board of Director may deem fit with related parties given below and also given in the Explanatory Statement annexed hereto:

Name of related party	Subsidiary Companies SCIL Infracon Private Limited – Dormant Company HBL Germany GmbH, Germany HBL America Inc, USA Torquedrive Technologies Private Limited(TTL) TTL Electric Fuel Private Limited – (Stepdown Subsidiary - Subsidiary of TTL) Associate Company Naval Systems and Technologies Private Limited
Description of transaction	Sale, purchase, supply any goods including capital goods, or materials, selling or otherwise disposing off, or buying, leasing of property of any kind, availing of or rendering of any services, appointment for purchase or sale of goods, materials, services or property or any other transaction sale / purchase of goods and supply and availment of services.
Maximum aggregate value per financial year	Not exceeding ₹500 crores in one financial year in aggregate with one or more or in combination with one or more of the related party(ies) mentioned in column (1) of the table with a power to the Board of Directors to inter change the value of transaction with each or all the related party(ies) within the aggregate limit of ₹500 Crores.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee of the Board) be and is hereby authorised to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute all deeds, applications, documents, writings, that may be required, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to this resolution.

“RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

Place: Hyderabad
Date : August 06, 2022

For and on behalf of the Board
MVSS Kumar
Company Secretary

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19”, General Circular no. 20/2020 dated May 5, 2020, General Circular nos. 02/2021 and 21/2021 dated January 13, 2021 and December 14, 2021 respectively in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)”, (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC/OAVM, without

- the physical presence of the Members at a common venue. In compliance with the MCA Circulars, the AGM of the Company is being held through VC/OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item Nos. 5 and 6 of the notice, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting (“AGM”) are also annexed.

3. The provisions of the Companies Act, 2013 allows a member to appoint a proxy to attend and vote on his/her behalf. Since this AGM is being held pursuant to the above referred MCA Circulars through VC / OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body resolution/authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the Scrutinizer by email through its registered email address to cs.gvinay@gmail.com with a copy marked to einward.ris@kfinotech.com.
5. The Register of Members and Share transfer books of the Company shall remain closed from Saturday, September 17, 2022 to Tuesday, September 27, 2022 (both days inclusive). The Company has fixed Friday, September 16, 2022 as the 'Record Date' for determining entitlement of members to final dividend for the financial year ended March 31, 2022, if approved at the AGM.
6. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend subject to deduction of tax at source will be made on Friday, September 16, 2022 as under:
 - i. To all beneficial owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Friday, September 16, 2022.
 - ii. To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Friday, September 16, 2022.
7. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFin Technologies Private Limited for assistance in this regard.
8. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with KFin Technologies Private Limited in case the shares are held by them in physical form.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to KFin Technologies Private Limited in case the shares are held by them in physical form.
10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to KFin Technologies Private Limited in case the shares are held in physical form.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or KFin Technologies Private Limited, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 24, 2022 through email on investor@hbl.in. The same will be replied by the Company suitably.

14. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. For details, please refer to corporate governance report which is a part of this Annual Report.
15. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.hbl.in/investor, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.kfintech.com>
16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. Pursuant to the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their valid PAN with the DPs (if shares held in dematerialized form) and the Company/ TCPL (if shares are held in physical form).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by e-mail to investor@hbl.in or einward.ris@kfintech.com by 11:59 p.m. IST on Friday, September 16, 2022. Shareholders are requested to note that in case their PAN is not

registered, or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable.

Non-resident shareholders [including Foreign Institutional Investors (FIIs)/Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits. For this purpose the shareholder may submit the above documents (PDF/JPG Format) by e-mail to investor@hbl.in or einward.ris@kfintech.com. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on Friday, September 16, 2022.

18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
19. Instructions for e-voting and joining the AGM are as follows:

PROCEDURE FOR REMOTE E-VOTING

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFIN , on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.
- ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with

the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

- iv. The remote e-Voting period commences Saturday, September 24, 2022 (9.00 a.m.) till Monday, September 26, 2022 (5.00 p.m.)
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, September 16, 2022.
- vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFIN for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”

viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1 : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access to KFIN e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3 : Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

- l) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. User already registered for IDeAS facility:
	<ul style="list-style-type: none"> I. Visit URL: https://eservices.nsdl.com II. Click on the “Beneficial Owner” icon under “Login” under ‘IDeAS’ section. III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e-Voting” IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.
	2. User not registered for IDeAS e-Services
	<ul style="list-style-type: none"> I. To register click on link : https://eservices.nsdl.com II. Select “Register Online for IDeAS” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1
	3. Alternatively by directly accessing the e-Voting website of NSDL
	<ul style="list-style-type: none"> I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section. III. 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. IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFIN. V. On successful selection, you will be redirected to KFIN e-Voting page for casting your vote during the remote e-Voting period.

Individual Shareholders holding securities in demat mode with CDSL

1. Existing user who have opted for Easi / Easiest

- I. Visit URL: <https://web.cdslindia.com/myeasi/home/login> or URL: www.cdslindia.com
- II. Click on New System Myeasi
- III. Login with your registered user id and password.
- IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFIN e-Voting portal.
- V. Click on e-Voting service provider name to cast your vote.

2. User not registered for Easi/Easiest

- I. Option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
- II. Proceed with completing the required fields.
- III. Follow the steps given in point 1

3. Alternatively, by directly accessing the e-Voting website of CDSL

- I. Visit URL: www.cdslindia.com
- II. Provide your demat Account Number and PAN No.
- III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.
- IV. After successful authentication, user will be provided links for the respective ESP, i.e. KFIN where the e- Voting is in progress.

Individual Shareholder login through their demat accounts / Website of Depository Participant

- I. I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.
- II. Once logged-in, 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, wherein you can see e-Voting feature.
- III. Click on options available against company name or e-Voting service provider – KFIN and you will be redirected to e-Voting website of KFIN for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

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

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Details on Step 2 are mentioned below:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFIN which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

- i. Launch internet browser by typing the URL: <https://evoting.kfintech.com/>
- ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However,

if you are already registered with KFIN for e-voting, you can use your existing User ID and password for casting the vote.

- iii. After entering these details appropriately, click on "LOGIN".
- iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'HBL Power Systems Limited - AGM' and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

- xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id cs.gvinay@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

- i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFIN, by accessing the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx>
 - a. Select the Company name viz.
 - b. Enter the DP ID & Client ID / Physical Folio Number and PAN details. If the PAN details are not available on record in respect of a Physical Folio, Member shall enter one of the Share Certificate numbers.
 - c. Upload a self-attested copy of the PAN card (in case registered) or a self-attested copy of share certificate details of which are entered as mentioned above, for authentication.
 - d. Enter your email address and mobile number.
 - e. The system will then confirm the email address for receiving this AGM Notice.
 - f. After successful submission of the email address, KFinTech will email the Annual Report, the Notice of AGM along with the e-voting user ID and password to the shareholders on or before XXXX
- ii. Members holding shares in physical mode and who have not updated their email addresses with the Bank are requested to update their email addresses by sending the duly filled in form ISR 1 (uploaded in Company website/RTA) along with relevant proof to the RTA M/s KFin Technologies Limited, Unit: **HBL Power Systems**

Limited, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 or The scan copies of the documents may also be mailed through your registered email id with KFIN Technologies (RTA) at the mail id einward.ris@kfintech.com duly e-Signed on the forms and all proofs. Members holding shares in dematerialised mode are requested to register/ update their email addresses with relevant depository participants.

- iii Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.
- iv. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

- III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.
- i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFIN. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/ KFIN. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.
- ii. Facility for joining AGM though VC/ OAVM shall open at least 15 (fifteen) minutes before the commencement of the Meeting.
- iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.
- iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting

from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at investor@hbl.in. Questions /queries received by the Company from September 24, 2022 9:00 a.m. till September 25, 2022 5:00 p.m. shall only be considered and responded during the AGM.
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

- I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from KFIN. On successful login, select 'Speaker Registration' which will be opened from September 24, 2022 9:00 a.m. till September 25, 2022 5:00 p.m. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.
- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com>. Please login

through the user id and password provided in the mail received from KFIN. On successful login, select 'Post Your Question' option which will be opened from September 24, 2022 9:00 a.m. till September 25, 2022 5:00 p.m..

- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFIN Website) or contact Ms. B. Swati Reddy at evoting@kfintech.com or call KFIN's toll free No. 1800-309-4001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, September 16, 2022 being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. In case a person (individual holding shares in physical mode/ non individuals) has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399
 1. Example for NSDL:
 2. MYEPWD <SPACE> IN12345612345678
 3. Example for CDSL:
 4. MYEPWD <SPACE> 1402345612345678
 5. Example for Physical:
 6. MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/> , the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFIN at toll free number 1800-309-4001 or write to them at evoting@kfintech.com .
- VI. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

EXPLANATORY STATEMENT

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM No. 5 and 6

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Karipineni Venkata Sriram (DIN 00073911) and Ms. Richa Datta (DIN 08084501) as Independent Directors, for a second term of five consecutive years from February 07, 2023 and March 15, 2023 respectively, not liable to retire by rotation. Mr. Karipineni Venkata Sriram and Ms. Richa Datta were appointed as Independent Directors at the Annual General Meeting ("AGM") of the Company held in the year 2018 and hold office up to February 06, 2023 and March 14, 2023 respectively. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing their candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of would be beneficial to the Company and it is desirable to continue to avail their services as Independent Directors.

The Company has received a declaration from Mr. Karipineni Venkata Sriram and Ms. Richa Datta to the effect that they meet the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 17(1C) and 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge duties.

In the opinion of the Board, both the appointees fulfill the conditions specified in the Act and SEBI Listing Regulations for appointment as Independent Directors and are independent of the management of the Company. The terms and conditions of their appointment remain unchanged.

Mr. Karipineni Venkat Sriram is Master of Manufacturing Engineering (MME) Northwestern University, Evanston, USA and Ms. Richa Datta is qualified Chartered Accountant and a CWA by profession. Further details and current directorships have been given in the Annexure to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations which mandates approval to be done within the next general meeting or three months, whichever is earlier, the re-appointment of Mr. Karipineni Venkata Sriram and Ms. Richa Datta as Independent Directors is now being placed before the members for their approval by way of special resolution.

The Board recommends the Special Resolution at Item No. 5 and 6 of this Notice for approval of the Members. Except Mr. Karipineni Venkata Sriram and Ms. Richa Datta none of the Directors and Key Managerial Personnel of the Company, in any way, concerned or interested, in the Resolution set out at Item No. 5 and 6 of the Notice.

Brief particulars pursuant to Regulation 36(3) of the Listing Regulations and additional information to be given to Members in terms of Secretarial Standards on General Meetings (SS-2), of all the appointees are given in Annexure II to the Explanatory Statement.

ITEM NO. 7 and 8

The members of the Company had, at their AGM held in the year 2018, authorised the Board of Directors (which term shall be deemed to include any Committee of the Board) to borrow money(ies) on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) and for creation of charge on moveable and immovable properties of the Company as security in favour of lending agencies for a sum not exceeding ₹1,000 crores (Rupees One thousand Crores only), over and above the aggregate of the paid-up share capital; free reserves and securities premium account of the Company.

As matter of prudent corporate governance practice and procedural and administrative requirements of the banks and / or financial institutions, it is considered desirable for the Company to recommend the resolutions in Item No.7 and 8 of the notice for approval of the members by way of special resolution for borrowing limits and for creation of charge on moveable and / or immovable properties of the Company on exiting limits and conditions under the provisions of Sections 180 (1) (c) and 180(1) (a) of the Companies Act, 2013 (the "Act").

Your consent by way of special resolution is required under the provisions of Sections 180 (1) (c) and 180(1) (a) of the Act for operational requirements of the Company.

None of the Directors, Key Managerial Personnel are in any way concerned or interested in the said resolutions.

ITEM NO. 9 and 10

As per the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, as amended to date, provides that no company is permitted to, directly or indirectly, (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is more. Further, the said Section provides that where the giving of any loan or guarantee or providing any security or the acquisition as provided under Section 186(2) of the Act, exceeds the limits specified therein, prior approval of Members by means of a Special Resolution is required to be passed at a general meeting. Though the proposed loans to be given or money to be advanced or acquisition by way of subscription or purchase of securities of the other body corporate including subsidiaries and associate companies would not exceed the limit prescribed under section 186 of the Companies Act, 2013 and rules made thereunder, the Board considering the long term business plans of the Company, which requires the Company to make sizeable loans / investments and issue guarantees / securities to persons or bodies corporate, from time to time and for better corporate governance preferred to sought consent of the members by way of special resolution.

Further, Section 185 of the Companies Act, 2013 and rules made thereunder requires approval of members by way of a special resolution to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the company is interested pursuant to explanation given under Sub-Section (2) to Section 185. The members may note that board of directors would carefully evaluate proposals and provide such loan, guarantee or security, from time to time, only for principal business activities of such entities.

Hence, in order to enable the company to advance loan, or give any guarantee or provide any security to Subsidiaries/ Joint Ventures /associates/ other Companies/ Firms in which Directors are interested directly or indirectly under section 185 and 186 of the Companies Act, 2013 and rules made thereunder, approval of members by a special resolution is being sought.

ITEM NO. 11

Necessary approval of members was obtained pursuant to Section 188 of the Companies Act, 2013, at the Annual General Meeting of the Company held in the year 2019 in this regard. SEBI vide its amendment to listing regulations on May 10, 2018 (applicable from April 01, 2019) required the Companies to review once in every three years the threshold limits for transactions with related parties subject to approval of the Board / members as the case may be. Since the coming Annual General Meeting is the first AGM after the regulations came into force, the special resolution set out in the notice above is recommended for approval of the members.

Nature of related interest of related parties given below:

Name of the Related party	Name of the Director or KMP who is related if any	Nature of relationship	Particulars of contract or arrangement with related party
SCIL Infra Con Pvt Ltd- Dormant Company	None of the Directors are Directors in the Company.	WOS of the Company.	Sale of spun concrete products
Naval Systems and Technologies Pvt Ltd – Associate Company	MSS Srinath Kavita Prasad	Mr. MSS Srinath and HBL together Holds 51% shares in the Company.	Manufacturing, assembly, supply and service of electronic equipment/ devices for defence/ marine use.
HBL Germany, GmbH – Wholly Owned Subsidiary	Kavita Prasad is a Director.	Wholly owned subsidiary	Supply of batteries, power electronic products.
HBL America Inc, USA – Wholly Owned Subsidiary	Kavita Prasad is a Director.	Wholly owned subsidiary	Supply of batteries, power electronic products.
Torque Drive Technologies Private Limited(TTL)	MSS Srinath Kavita Prasad	Wholly owned subsidiary	Supply of batteries, power electronic products.
TTL Electric Fuel Private Limited –	MSS Srinath Kavita Prasad	Stepdown subsidiary (Subsidiary Subsidiary of TTL)	Supply of batteries, power electronic products.

The Board recommends the Special Resolution set out at Item No. 11 of the Notice for approval by the members.

Except Dr A J Prasad, Kavita Prasad and their relatives, if any, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 11 of the Notice.

Place: Hyderabad

Date: August 06, 2022

For and on behalf of the Board

MVSS Kumar

Company Secretary

INFORMATION PURSUANT TO SS 2 OF SECRETARIAL STANDARDS ON GENERAL MEETING AND REGULATION 36(3) OF THE LISTING REGULATION REGARDING APPOINTMENT OR REAPPOINTMENT OF THE DIRECTORS AT THE FORTHCOMING ANNUAL GENERAL MEETING.

Name of the appointee	Mr. Advay Bhagirath Mikkilineni	Karipineni Venkata Sriram	Richa Datta
DIN	DIN 09207003	00073911	08084501
Category	Non-Executive Director Non- Independent – Promoter group	Non-Executive Independent Director	Non-Executive Independent Director (Woman)
Date of Birth	05.01.1990	18.01.1970	16.12.1971
Date of appointment / re- appointment	21.06.2021	07.02.2018	15.03.2018
Qualification(s)	MSc Molecular Genetics from Kings College London	Master of Manufacturing Engineering (MME) Northwestern University, Evanston, USA Bachelor of Engineering Mech (BE) MNREC, Allahabad University	Chartered Accountant and Grad CWA Bachelor of Commerce from Osmania University
Brief profile and expertise in specific functional area	Studying Molecular Genetics	Production Processes, New product development and liaisoning with Marketing and Production Improvements, New Product Development Business Development.	Expertise in Finance and Audit Systems in Industry and NGOs in India and abroad.
Chairman/ Member of Committees of the Board of Companies of which he is a director	NIL	5 as member of Committees	5 as member of Committees
Shareholding as on 31.03.2022 (Equity)	39,17,600	Nil	Nil
Last remuneration drawn	NIL	Nil	Nil
Relationship with other Directors/KMP etc.	Son of Mrs Kavita Prasad Aluru and grandson of Dr. A J Prasad.	No relation	No relation
Meetings of Board attend in 2021-22	1	4	4

Place: Hyderabad

Date: August 06, 2022

For and on behalf of the Board

MVSS Kumar

Company Secretary

Directors' Report

Dear Members

Your Directors take pleasure in presenting the Thirty-sixth Annual Report for the financial year ended on March 31, 2022. The standalone financial performance is presented below prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) as amended.

(₹ in lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Revenue from Operations	1,22,149.53	90,894.59	1,23,621.02	91,203.86
Other Income	1,427.63	948.47	1,437.40	962.91
Total Income	1,23,577.16	91,843.06	1,25,058.42	92,166.76
Total Expenditure	1,12,834.40	89,358.96	1,13,979.07	89,819.05
Earnings before interest, depreciation and tax (EBIDTA)	14,937.23	7,775.51	15,335.36	7,700.14
Finance Costs	727.27	1,448.59	747.59	1,471.36
Depreciation & Amortization expenses	3,467.20	3,842.82	3,508.42	3,881.07
Profit before Exceptional items and Tax	10,742.76	2,484.10	11,079.35	2,347.71
Exceptional Items – Income / (Expenses)	1,073.01	(538.95)	1,160.97	(405.52)
Profit before tax (PBT)	11,815.77	1,945.15	12,240.32	1,942.19
Provision for tax & Deferred tax adjustment	2,876.01	487.19	9,390.25	1,372.66
Other comprehensive income (net)	(84.32)	(145.99)	(98.20)	(141.66)
Total Comprehensive Income for the Period (PAT)	8,855.44	1,311.98	9,292.05	1,231.00
Earnings Per Share (Diluted EPS of Rupees)	3.19	0.47	3.35	0.44
Proposed Dividend on share of ₹ 1 each	40%	35%	NA	NA

Performance Review 2021-22

The Financial Year 2021-22 ended better than the management expected. The results would have been even better, but for the increase in the price of nickel in the global market. It was a journey of continued resilience in the year gone by, coupled with optimism for a better future. Your Company continued to focus on growing business opportunities and actions are aligned to leverage the emerging opportunities. The profit before tax for the year was Rs.11,817 lakhs.

Performance during the year was satisfactory and all business segments of the Company showed good progress. During the year, your Company continued to focus on managing cash efficiently and ensured that it had adequate liquidity and back up lines of credit. The Company is near debt free

with reduced borrowings, leading to lower finance costs. The Company continued to monetize non-productive assets which helped to augment cash flows.

Impact of Covid-19

Financial Year 2021-22 saw the markets grappling with the Delta and Omicron variants of Covid-19 pandemic. The Company has assessed the possible impact of Covid-19 on its financial statements based on the internal and external information and felt no adjustments are required in these standalone / consolidated financial statements for the year 2021-22.

Dividend

Your Directors are pleased to recommend a final dividend of 40% (i.e. ₹0.40 paise per equity share of ₹1 each fully paid

up) for the Financial Year 2021-22 subject to the approval of the members at the ensuing annual general meeting. The proposed final dividend will absorb ₹1108.78 lakhs.

Subsidiaries, Associate and Joint Venture Companies (as on March 31, 2022)

As per the notification issued by the Ministry of Corporate Affairs on July 27, 2016 with regard to Companies (Accounts) Amendment Rules, 2016, the report of the Board shall contain highlights of performance of subsidiaries, associates and joint venture companies and their contribution on overall performance of the company. Accordingly, we hereby furnish the following:

Subsidiary companies	HBL America Inc. HBL Germany GmbH, Germany Torquedrive Technologies Private Limited TTL Electric Fuel Private Limited – Step down subsidiary SCIL Infracon Private Limited – dormant Company.
Associate companies within the meaning of Section 2(6) of the Companies Act, 2013 (“Act”).	Naval Systems & Technologies Pvt Ltd (NSTL)
Joint Venture Company	Gulf Batteries Company Ltd in the Kingdom of Saudi Arabia (KSA).

The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies, associates and joint ventures except that of Gulf Batteries Company Ltd, prepared in accordance with the Companies Act, 2013 (Act) and applicable Ind AS notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 as amended.

During the reporting period, stake in Gulf Batteries Company Ltd was disinvested and a consideration of ₹5.05 lakhs was received against 40% share in the joint venture. However, for cancellation of investment, approval of the relevant authorities is under process.

Pursuant to provisions of section 129(3) of the Act, a statement containing salient features of the financial statements of the Company’s subsidiaries in Form AOC-1 is attached to the financial statements of the Company and as per the provisions of section 136 of the Act, the standalone financial statements of the Company, consolidated financial statements along with relevant documents and separate

audited accounts in respect of subsidiaries, are available on the website of the Company. There has been no material change in the nature of the businesses of the subsidiaries except as disclosed hereunder.

Highlights of performance of subsidiaries, associates and joint venture companies and their contribution on overall performance of the Company:

Operational and financial performance of the subsidiaries, associates and joint venture shall be provided as and when the same is made available.

Material Changes and Commitments

No material changes and commitments have occurred after the closure of the FY 2021-22 till the date of this report which would affect the financial position of your Company except due to Covid-19 pandemic related lockdown, restrictions and consequent financial impact on Company’s operations.

Directors’ Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- i. in preparation of the annual accounts, the applicable Ind AS accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies as per Ind AS 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;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, cost, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2021-22.

Directors and Key Managerial Personnel (KMP)

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Advay Bhagirath Mikkilineni (DIN 09207003) will retire by rotation at the 36th AGM and being eligible, has offered himself for re-appointment.

In the opinion of the Board, all the Independent Directors possess requisite qualifications, experience, expertise and integrity for the purpose of Rule 8(5)(iia) of the Companies (Accounts) Rules, 2014.

Change in Board of Directors during the reporting period and thereafter.:

During the reporting period, Mr. Ajay Bhaskar Limaye and Mr. Abhishek G Poddar resigned from the Board on April 13, 2021 and June 21, 2021 respectively. Effective July 27, 2022, Dr. Ramanujulu Nandakumar Ramnath (DIN 03639492), Non-Executive Independent Director resigned from the Board.

During the year, none of the non-executive directors of the Company had any pecuniary relationship or transactions with the Company except for the sitting fee paid for attending the Board meetings.

Number of meetings of the board

Four meetings of the board were held during the reporting year. For details of the meetings of the board, please refer to the Corporate Governance Report section, which forms part of this report.

Board evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and

structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017. In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

At the board meeting that followed the meeting of the independent directors and meeting of Nomination and Remuneration Committee, the performance of the Board, its Committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire Board, excluding the independent director being evaluated.

Policy on directors' appointment and remuneration and other details

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of the Directors' report.

Audit committee

The details pertaining to composition of Audit Committee are included in the report on corporate governance, which forms part of this report. The Board of Directors has accepted the recommendations of the Audit Committee placed at respective meetings.

Risk Management

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing

the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. All the identified risks are managed through continuous review of business parameters by the management and the board of directors is also informed of the risks and concerns.

Internal financial controls

Pursuant to Section 134 of the Companies Act 2013, the Directors state that the Board, through the operating management has laid down Internal Financial Controls to be followed by the Company and such policies and procedures were adopted by the Company 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. The Audit Committee evaluates the internal financial control system periodically. To the best of their knowledge and ability and inputs provided by various assurance providers confirm that such financial controls are adequate with reference to the size and operations of the Company and no reportable material weakness or deficiency in the design or operation of internal financial controls was observed.

Particulars of loans, guarantees and investments

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

Transactions with related parties

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Information on transactions with related parties pursuant to Section 134(3) (h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure I in Form AOC-2 and the same forms part of this report. Related party transactions are in the ordinary course of business and on arm's length basis.

Corporate social responsibility

The Company has a Board level committee that supervises its Corporate Social Responsibility (CSR) activities. The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the

year are set out in Annexure II of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Extract of Annual Return

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the extract of Annual Return is given in Annexure III in the prescribed Form MGT-9, which forms part of this report.

Information regarding employees and related disclosures

Your Company consistently believes in concerted efforts in talent management and succession planning practices, strong performance management and learning and training initiatives. Rewards and recognition are commensurate with performance and that employees have the opportunity to develop and grow. During the year, there were no complaints relating to child labour, forced labor, involuntary labor, sexual harassment in the last financial year and pending as on the end of the financial year.

S. No	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labor / forced labor/ involuntary labor	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

Disclosure as required under Section 22 of Sexual Harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company believes in providing a healthy environment to all HBL Employees and does not tolerate any discrimination or harassment in any form. The Company has in place a gender neutral, Prevention of Sexual Harassment (POSH) policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. This policy is frequently communicated in assimilation programs and at regular intervals to all HBL employees. Following are some of the awareness programs imparted to train HBL Employees and Internal complaints committee (ICC).

1. It is mandatory for every new joiner to undergo a program on 'Prevention of Sexual Harassment ' during induction program.
2. The Internal Complaints Committee is trained by external agency when the committee members are on-boarded to the committee.
3. Policy of 'Prevention of Sexual Harassment' at workplace is available on internet for HBL employees to access as and when required.
4. The 'Prevention of Sexual Harassment' policy is placed in conspicuous places for better visibility and communication of the policy. The posters are also displayed in regional languages at all HBL offices.

HBL has setup an Internal Complaints Committee(ICC) both at the Head office / Corporate office and at every major location

where it operates in India. ICC has equal representation of men and women. ICC is chaired by a senior woman employee and has an external women representation.

ICC investigates the case(s) and provides its recommendations to the apex authority . The apex authority upon receiving the recommendations from ICC arrives at the conclusion and acts upon such recommendations.

Penal Consequences of Sexual Harassment (“SH”) and the constitution of the ICC is displayed at conspicuous places.

Particulars of employees

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

Employee Name	Dr. AJ Prasad	Mr. Suresh Kalyan	Mr. MVV Vidyasagar
Total remuneration CTC (₹ lakhs)	₹96.15 lakhs and commission ₹356.94 lakhs	₹ 272.88 lakhs	75.82 lakhs
Designation and Nature of Duties	Chairman and Managing Director	Chief Operating Officer (COO)	President – Electronics Group
Qualification / Experience (years)	B. Tech from IIT, Khargpur, MS in Management from Massachusetts Institute of Technology USA, Doctorate in International Business from Columbia University, USA.	BSc. Chartered Accountant 32	BE (Electrical & Electronics) 36
Date of commencement of employment	Promoter of the Company	17.11.2014	01.04.2011
Age (years)	76	58	58
Last employment held before Joining the Company	Administrative Staff College of India	Amara Raja Batteries Limited, Hyderabad, as President – Finance	Director(Operations) at Axiom Consulting Ltd.

- a. The ratio of the remuneration of each Non-Executive director to the median remuneration of the employees of the Company for the financial year: Not Applicable as none of the Non-Executive was paid any remuneration.
- b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

₹ lakhs

Key Managerial Personnel	Remuneration for the financial year		% increase
	March 31, 2021	March 31, 2022	
Dr. A J Prasad, Chairman and Managing Director	69.59	96.15	38.17
Mrs. Kavita Prasad, Executive Director	23.41	33.30	42.25
Mr. MSS Srinath, Whole-Time Director	37.10	50.55	36.25
Mr. MVSS Kumar, Company Secretary	14.90	16.88	13.29
Mr. K Sridharan, Chief Financial Officer	28.75	34.00	18.26

c. The percentage increase in the median remuneration of employees in the financial year: 10-15 %

d. The number of permanent employees on the rolls of Company: 1,663 (as at 31 March 2022)

e. **Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Aggregate remuneration of key managerial personnel (KMP) in 2021-22	₹ lakhs	230.88
Commission on profits to CMD		356.94
Revenue	₹ lakhs	1,22,149.53
Profit before tax	₹ lakhs	11,815.77
Remuneration of KMPs	as % of revenue	0.48
Remuneration of KMP	as % of PBT	4.97

f. **Comparison of remuneration of each the key managerial personnel (March 31, 2021):** ₹ lakhs

Name of the KMP	Designation	Remuneration	Commission on profit	Total
Dr. A J Prasad	Chairman and Managing Director	96.15	356.94	453.09
Kavita Prasad	Executive Director	33.30	-	33.30
MSS Srinath	President	50.55	-	50.55
K Sridharan	Chief Financial Officer	34.00	-	34.00
MVSS Kumar	Company Secretary	16.88	-	16.88
Total		230.88	356.94	587.82

g. **The key parameters for any variable component of remuneration availed by the directors:**

Commission on net profits was paid to Chairman and Managing Director only in addition to the monthly remuneration as disclosed elsewhere in this report.

h. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: Not applicable.

including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the Regulation 22 of the SEBI (LODR) Regulations, 2015.

Deposits from public

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Disclosure requirements

As per listing Regulations, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

Vigil Mechanism / Whistle blower policy

The Company has formulated a vigil mechanism /whistle blower policy to provide a vigil mechanism for employees

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

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

Corporate Governance

Pursuant to Schedule V of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, a separate section in Annexure VII titled "Report on Corporate Governance" is attached to the Annual Report.

Statutory Auditors

M/s Rao & Kumar, Chartered Accountants (FRN 03089S) Visakhapatnam who are the Statutory Auditors of the Company have completed 2 terms of 5 years each at this annual general meeting pursuant to Section 139(2) of the Companies Act, 2013 and rules made thereunder. Consequent to retirement of the exiting auditors, the Board recommend appointment of M/s. LNR Associates, Chartered Accountants, Visakhapatnam (FRN 05381S) as independent statutory auditors of the Company to hold office for a period of five years from the conclusion of the 36th Annual General Meeting in 2022 until the conclusion of the Annual General Meeting in 2027 subject to ratification of members at every year Annual General Meeting.

The Report given by M/s. s Rao & Kumar, Chartered Accountants on the financial statements of the Company for the year 2021-22 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act. Therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Companies Act, 2013.

Cost Auditors

Your Board has appointed M/s K. Narashima Murthy & Co., Hyderabad, Cost Accountants (FRN 000042) as Cost Auditors of the Company for conducting the audit of cost records of the Company. Your Board, on recommendation of the Audit Committee, proposes to re-appoint them as Cost Auditors for 2021-22, subject to the approval from Central Government.

Disclosure under Section 148(1) of the Companies Act, 2013

The Company has been maintaining required cost records as specified under Section 148(1) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 as amended from time to time.

Secretarial Auditors

CS Vinay Babu Gade, Practicing Company Secretary issued a Secretarial Auditor for the financial year 2021-22 and his secretarial audit report is attached to this report in Annexure IV. There are no qualifications, adverse comments and observations in the secretarial audit report for the year 2021-22.

Cautionary Statement

Statements in this Annual Report, particularly those that relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward-looking statements' within the meaning of applicable laws and regulations to enable shareholders and investors to comprehend our prospects. Although the expectations are based on reasonable assumptions, the actual results might differ materially from those expressed in the statement. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as plant breakdowns, industrial relations etc.

Acknowledgements

Your Directors place on record their sincere appreciation towards the Company's valued customers and shareholders for the support and the confidence reposed by them in the management of the company and look forward to the continuance of this mutually supportive relationship in future.

Your Directors take this opportunity to thank all the Company's Bankers, concerned Central and State Government Departments, Agencies for their support and co-operation to the Company. The Board has special appreciation for the employees for their dedicated services and their ability to deliver good results in the future.

For and on behalf of the Board

Place: Hyderabad

Date : August 06, 2022 Chairman and Managing Director

Dr. A J Prasad

ANNEXURE ON

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo for the Financial Year 2021-2022.

- A. Conservation of Energy: Energy saving devices such as re-cycling of heat and use of alternate sources of energy like solar energy/fuel oil are being implemented wherever possible.
- B. Technology Absorption: We have in-house R&D facilities. We may avail the Consultancy Services from overseas experts for strengthening our technology, as and when needed. We are in the process of absorbing the technology so developed and improved further.
- C. Foreign Exchange Earnings and Outgo:

(₹ lakhs)

SL. NO.	PARTICULARS	2021-22	2020-21
A	VALUE OF IMPORTS (ON ACCRUAL BAISI)		
	Raw Materials, Components & Spares	9,567.59	6,914.14
	Capital Items/Equipment	1,157.22	80.55
B	EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)		
	Travelling Expenses		11.78
	Professional Charges	0.06	472.17
	Commission	249.76	88.58
	Marketing Expenses	245.37	205.38
	Advances/Others	53.36	124.51
	Total	11,273.35	7,897.10
C	INCOME IN FOREIGN CURRENCY (ON ACCRUAL BASIS)		
	Export Sale	25,542.63	16,751.68
	Services	303.86	113.05

For and on behalf of the Board

Place: Hyderabad
Date : August 06, 2022

Dr. A J Prasad
Chairman and Managing Director

ANNEXURE I

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms-length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis:

The related party transactions entered by the Company during the financial year with the related parties are well within the scope of statutory and regulatory provisions prescribed under the Companies Act, 2013 read with rules made thereunder; other applicable regulations and with the relevant approvals of the Board / members as the case may be.

2. Details of material contracts or arrangements or transactions at arm's length basis:

a. Name(s) of the related party and nature of relationship:

(i) Entities

Name of the related party	Nature of relationship
SCIL Infracon Private Limited	Wholly owned subsidiary – dormant Company
HBL Germany, GmbH	Wholly owned subsidiary
HBL America Inc, USA	Wholly owned subsidiary
Gulf Batteries Company Limited, KSA **	Joint venture company
Naval Systems and Technologies Private Limited	Associate company
Torquedrive Technologies Private Limited	Wholly owned subsidiary
TTL Electric Fuel Private Limited (TTL EFL)##	Step down subsidiary
Barclays Wealth Trustees India Private Limited - Trustetee for Aluru Family Private Trust	Holding 51.16% shareholding in the Company.

** Stake in Gulf Batteries Company Ltd, was disinvested during the reporting year and a consideration of ₹5.05 lakhs was received against 40% stake. However, for cancellation of investment, approval of the relevant authorities is under process.

TTL EFL is a subsidiary of Torquedrive Technologies Private Limited.

Approvals, whenever necessary, have been obtained from time to time as required under the Act.

(ii) Key Managerial Personnel -

Name of the Key Managerial Personnel	Nature of relationship
Dr A J Prasad	Chairman and Managing Director
Kavita Prasad	Executive Director (daughter of CMD)
Advay Bhagirath Mikkilineni	Non-Executive Director (grandson of CMD)
MVSS Kumar	Company Secretary
K Sridharan	Chief Financial Officer
MSS Srinath	President (husband of Kavita Prasad)

b. Nature of contracts / arrangements / transactions: Supply and service of batteries, electronic equipment, concrete products, moulds, tools and equipment.

c. Duration of the contracts / arrangements / transactions: Contracts are ongoing.

d. Date(s) of approval by the Board, if any: For entities mentioned in table (a)(i) above, necessary approval was obtained at the 33rd Annual General Meeting of the Company held on September 26, 2019. In respect of the related parties covered in table (a)(ii) approval of the Board was obtained as per the provisions of section 188 of the Act and rules made thereunder.

e. Amount paid as advances, if any: Nil

For and on behalf of the Board

Dr. A J Prasad

Chairman and Managing Director

Place: Hyderabad

Date : August 06, 2022

ANNEXURE II

ANNUAL REPORT ON CSR ACTIVITIES

Brief outline on CSR Policy of the Company

Our belief is “everyone has potential but not opportunity”. HBL’s vision is to supportive corporate citizen in the society in which we live. HBL has initiated and grown several socially responsible programs within our community. To achieve the vision we also partner with external agencies including NGO’s to make every effort to make a difference to our community.

HBL’S initiatives include:

- ✓ Green factories - reforestation in and around our manufacturing plants – Almost 70% of our land area (163 acres) has green cover with 51,000+ trees. This makes our facilities a pleasant place to work and a good neighbor to host neighborhoods.
- ✓ An Early Years Child Development Program – HBL Supports 95 Anganwadi Centers – providing teaching and pastoral support for nearly 2200 children in the 3 - 6 years age group. This includes:
 - Espousing the cause of economically-disadvantaged children and supporting them
 - Scheduling periodic medical camps and counselling for students
 - Setting up dedicated center’s that provide nutritious food, basic health care, uniforms, learning materials and toys to young children
- ✓ A Nutrition Program - Organizing mid-day meal programme through Akshaya Patra Foundation
- ✓ Supporting Children with Challenges – HBL provides support for Anuraag - a home for differently abled children; NICE – a center for needy illiterate childrens education and Jyothi Ashram - an orphanage .

HBL, through several CSR initiatives, continues to invest in addressing the most pressing needs of the community. The principal attention areas are education, skilling, occupation with emphasis on connecting the opportunity gap for people and communities. The Company spends in basic and preventive health and wellness, water sanitation and hygiene to support the basic needs of communities. The Company’s CSR policy incorporates an inclusive approach in every program it undertakes. With a view to develop the knowledge base of community (ies), HBL also joins hands with strategic organizations and research in providing technology consulting for no charge.

The projects undertaken are within the comprehensive structure of Schedule VII to the Act.

1. Composition of CSR committee:

S No.	Name and directorship category	Designation / Nature of Directorship	No of meetings held	No of meetings attended
1	P. Ganapathi Rao	Chairperson - Non-Executive Independent Director	3	3
2	Preeti Khandelwal	Member - Non-Executive Independent Director	3	3
3	V K Sriram	Member - Non-Executive Independent Director	3	3
4	Richa Datta	Member - Non-Executive Independent Director	3	2
5	Kavita Prasad	Member - Executive Director	3	3

2. Prescribed CSR expenditure:

During financial year, the Company was required to spend a minimum and approved budget of ₹63.01 lakhs whereas the actual spending was ₹102 lakhs which is much higher than the statutory requirement prescribed under the Act. Apart from the initial budget approval of ₹63.01 Lakhs, the CSR Committee recommended to the Board and approval of the Board was sanctioned, for an additional budget of ₹40 lakhs for financial year aggregating the total budget to ₹103 lakhs for reporting period.

(₹ Lakhs)

SI No.	Sector - CSR Project	Project area	Actual	Direct /indirect
1	Eradication of Malnutrition and Hunger	Shameerpet , Mahbubnagar, Nandigaon, Vizianagaram, VSEZ, Narsaraopeta and Tumkunta	63.32	Direct
2	Promotion of Children Education	Shameerpet , Mahbubnagar, Nandigaon, Vizianagaram, VSEZ, Narsaraopeta and Tumkunta	33.69	Direct and indirect
3	Covid-19 contributions	Govt. of Andhra Pradesh	2.00	Direct
4	Contribution to eligible Orphanages / Old age homes	Telangana State and Andhra Pradesh	3.02	Indirect
Grand Total			102.03	

The above spending does not include the amount spent during the year from the previous years' balance transferred into CSR unspent account. Out of the CSR unspent account an amount of ₹32.18 lakhs was spent during the reporting year on the same projects which were approved by the Board during the financial year 2020-21 and a balance of ₹27.58 lakhs will be spent towards the same approved projects in due course of time.

3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

Composition of the CSR committee shared above and is available on the Company's website at www.hbl.in

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).

Since the CSR obligation pursuant to Section 135(5) of the Act, for the Company in the three immediately preceding financial years is less than the amount prescribed under Rule 8(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is not required to undertake impact assessment of the CSR projects.

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.

(₹ Lakhs)

Financial Year	Amount available for set off from preceding financial years	Amount required to be set off for the financial year, if any
2020-21	NIL	NIL

6. Average net profit of the Company as per Section 135(5) of the Act: ₹3,150 lakhs

7. (a) Two percent of average net profit of the company as per section 135(5) : ₹63 lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL

(c) Amount required to be set off for the financial year, if any: NIL

(d) Total CSR obligation for the financial year (7a+7b-7c): 63 lakhs

8. (a) CSR amount spent or unspent for the financial year:

(₹ Lakhs)

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent				
	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
102.03	NIL	-	-	NIL	-

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

₹ In lakhs

1	2	3	4	5	6	7	8	9	10	11		
Sl. No.	Name of the Project	Item in Schedule VII	Local area (Yes/No)	Location of the project		Project duration	Amount allocated for the project (in ₹).	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Implementation Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State and District(s)							Name	CSR Registration number
1	Health and Education	Eradicating poverty, hunger, malnutrition, health for children below 6 years age	Yes	Telangana State Medchal-Malkajgiri, Mahboonagar and Rangareddy		Open ended	17.46	29.45	NIL	No	NA	NA
Andhra Pradesh Visakhapatnam, Vizianagaram and Guntur				21.42	33.87							
2	Education	Promoting quality of education for children by providing required facilities (Soft & Hard) including infrastructure and Preschool education below 6 years age	Yes	Telangana State Medchal-Malkajgiri, Mahboonagar and Rangareddy		Open ended	9.63	16.32	NIL	No	NA	NA
Andhra Pradesh Visakhapatnam, Vizianagaram and Guntur				6.31	10.69							
Total							54.82	90.33	NIL	No	NA	NA

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

₹ In lakhs

1	2	3	4	5	6	7	8		
Sl. No.	Name of the Project	Item in Schedule VII	Local area (Yes/No)	Location of the project		Amount spent for the project	Mode of Implementation Direct	Mode of implementation - Through implementing agency.	
				State and Districts				Name	CSR Registration number
1	Education	Promoting quality of education for children by providing required facilities (Soft & Hard) including infrastructure, supporting needy children by providing required facilities	Yes	Telangana State Medchal-Malkajgiri Rangareddy		2.00	NA	Smitam Hitam Foundation	Contributed prior to April 29, 2021
						1.00		SOS Childrens Villages of India	CSR00000692
						1.20		The Akshaya Patra Foundation	CSR00000286
				Andhra Pradesh Vizianagaram Guntur		2.00		Association Saikorian	Contributed prior to April 29, 2021
						0.48		Needy Illiterate Children Education	CSR00013933

1	2	3	4	5	6	7	8	
Sl. No.	Name of the Project	Item in Schedule VII	Local area (Yes/No)	Location of the project	Amount spent for the project	Mode of Implementation Direct	Mode of implementation - Through implementing agency.	
				State and Districts			Name	CSR Registration number
2	Health/Projects	Supporting in Old age & Orphanage people and Health care projects for underprivileged people	Yes	Telangana State Medchal-Malkajgiri Rangareddy	1.20	NA	Jyothi Orphan Ashram	CSR00034540
				Andhra Pradesh Vizianagaram Guntur	1.82		Medical Educational & Nature Service	CSR00032475
3	Covid-19 Contribution	State Govt fund	Yes	Andhra Pradesh	2.00	Direct	Govt. of Andhra Pradesh	NA
Total					11.70	-		

(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 (8b+8c+8d+8e): ₹102.03 Lakhs

(g) Excess amount for set off, if any (₹ Lakhs)

S.No.	Particular	Amount
1	Two percent of average net profit of the company as per section 135(5)	63.00
2	Total amount spent for the Financial Year	102.03
3	Excess amount spent for the financial year [(ii)-(i)]	39.03
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	39.03

9. (a) Details of Unspent CSR amount for the preceding three financial years: (₹ Lakhs)

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
1	2020-21	59.76	32.18	NA	-	-	27.58

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): ₹ In lakhs

Sl. No.	Project ID	Name of The Project.	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of Reporting Financial Year	Status of the project - Completed /Ongoing
1	Education	Promotion of education	2011-2012	Open ended	59.76	32.18	32.18	Ongoing
Total					59.76	32.18	32.18	

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:

(a) Date of creation or acquisition of the capital asset(s) : **None**

(b) Amount of CSR spent for creation or acquisition of capital asset : **NIL**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc. : **Not Applicable**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : **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) of the Act: **Not Applicable**

Sd/-

Dr. A J Prasad

Chairman and Managing Director

DIN: 00057275

Place: Hyderabad

Date: August 06, 2022

Sd/-

P. Ganapathi Rao

Chairperson, CSR Committee

DIN: 00089685

ANNEXURE III

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

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

I. REGISTRATION AND OTHER DETAILS:

- i. CIN: L40109TG1986PLC006745
- ii. Registration Date: 29.08.1986
- iii. Name of the Company: HBL POWER SYSTEMS LIMITED
- iv. Category / Sub-Category of the Company: Company Limited by shares / Indian Non-Government Company
- v. Address of the registered office and contact details: 8-2-601, Road No.10, Banjara Hills, Hyderabad-500034, Telangana
Tel: 91 40 2335 5575, Fax: 91 40 2335 5048
Email: contact@hbl.in Website: www.hbl.in
- vi. Whether listed company: Yes
- vii. Name, address and contact details of Registrar and Transfer Agent, if any
KFin Technologies Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032.
Tel : +91 040 67161530
E-mail : mailmanager@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Manufacture of batteries, Power Electronics and Spun concrete products	272	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Relevant Section
1	SCIL Infracon Private Limited ## Sy.No.26, Kubera Towers, Trimulgherry, Secunderabad - 500 015	U45400TG2007PTC054295	WOS	100%	2(87)
2	HBL America Inc. USA	Not applicable	WOS	100%	2(87)
3	HBL Germany GmbH, Germany	Not applicable	WOS	100%	2(87)
4	Naval Systems and Technologies Pvt Ltd. Plot 563. Road 31, Jubilee Hills Hyderabad-500 033	U31403TG2006PTC051006	Associate	41%	2(6)
5	Gulf Batteries Co. Ltd, KSA @@	Not applicable	Joint Venture	40%	2(6)
6	TorqueDrive Technologies Private Limited (TTL) 8-2-601, Road No.10, Banjara Hills, Hyderabad-500034, Telangana	U29100TG2021PTC148083	WOS	100%	2(87)
7	TTL Electric Fuel Private Limited 8-2-601, Road No.10, Banjara Hills, Hyderabad-500034, Telangana	U74999TG2021PTC153003	Stepdown subsidiary	60% through TTL	2(87)

As has been reported in previous annual reports that the Company is not commercially active, the Board of Directors of SCIL has declared the Company to be dormant and necessary application has been made during the financial year to Ministry of Corporate Affairs to mark the Company as Dormant.

@@ Stake in Gulf Batteries Company Ltd, was disinvested during the reporting year and a consideration of ₹5.05 lakhs was received against 40% stake. However, for cancellation of investment, approval of the relevant authorities is under process.

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

a. Category-wise Share holding

Category	Category of Shareholders	No. of Shares held at the end of the year i.e. 31.03.2021				No. of Shares held at the end of the year i.e. 31.03.2022				% Change
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A PROMOTERS										
1. INDIAN										
a.	Individual /HUF	2,09,18,323	-	2,09,18,323	7.55	2,13,93,317	-	2,13,93,317	7.72	+0.17
b.	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	14,12,63,643	-	14,12,63,643	50.96	14,20,70,777	-	14,20,70,777	51.25	+0.29
d.	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e.	Others	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)		16,21,81,966	-	16,21,81,966	58.51	16,34,64,094	-	16,34,64,094	58.97	+0.46
2. FOREIGN										
a.	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
b.	Bodies Corporate	-	-	-	-	-	-	-	-	-
c.	Institutions	-	-	-	-	-	-	-	-	-
d.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e.	Others	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)		-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)		16,21,81,966	-	16,21,81,966	58.51	16,34,64,094	-	16,34,64,094	58.97	+0.46
B PUBLIC SHAREHOLDING										
1 Institutions										
a.	Mutual Funds	-	-	-	-	-	-	-	-	-
b.	Financial Institutions /Banks	5,000	-	5,000	0.00	5,000	-	5,000	0.00	-
c.	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
d.	Venture Capital Funds	2,68,42,240	-	2,68,42,240	9.68	2,58,42,240	-	2,58,42,240	9.32	-0.36
e.	Insurance Companies	-	-	-	-	-	-	-	-	-
f.	Foreign Institutional / Portfolio Investors	5,92,000	-	5,92,000	0.21	18,96,686	-	18,96,686	0.68	+0.47
g.	Foreign Venture Capital Investors	2,89,83,735	-	2,89,83,735	10.46	2,34,69,551	-	2,34,69,551	8.47	-1.99
h.	Alternate Investment fund	1,72,300	-	1,72,300	0.06	-	-	-	-	-0.06
i.	Others	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)		5,65,95,275	-	5,65,95,275	20.42	5,12,13,477	-	5,12,09,477	18.48	-1.94
2 Non- Institutions										
a.	Bodies Corporate	18,09,876	2,000	18,11,876	0.65	22,76,689	2,000	22,78,689	0.82	+0.17
b. Individuals										
i.	Individuals holding nominal share capital upto ₹2 lac	4,76,52,687	25,03,454	5,01,56,141	18.09	5,17,23,471	24,48,644	5,41,72,115	19.54	+1.45
ii.	Individuals holding nominal share capital in excess of ₹2 lac	26,80,149	-	26,80,149	0.97	25,94,379	-	25,94,379	0.94	-0.03
c.	Others	37,69,539	-	37,69,539	1.36	34,72,192	-	34,72,129	1.25	-0.11
Sub-Total (B) (2)		5,59,12,251	25,05,454	5,84,17,705	21.07	6,00,66,731	24,50,644	6,25,17,375	22.55	+1.48
Total Public Shareholding Group (B)		11,25,07,526	25,05,454	11,50,12,980	41.49	11,12,80,208	24,50,644	11,37,30,852	41.03	-0.46
C. Shares held by Custodians and against which depository Receipts have been issued										
GRAND TOTAL (A)+(B)+(C)		27,46,89,492	25,05,454	27,71,94,946	100.00	27,47,44,302	24,50,644	27,71,94,946	100.00	-

b. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2021			Shareholding at the end of the year i.e. 31.03.2022			% Change during the year
		No. of Shares	% of total Shares	% of Shares Pledged	No. of Shares	% of total Shares	% of Shares Pledged	
1.	Dr. A J Prasad	24,25,243	0.87	0.00	26,92,827	0.97	0.00	+0.10
2.	Mrs. Kavita Prasad	96,36,976	3.48	0.00	97,88,386	3.53	0.00	+0.05
3.	Advay Bhagirath Mikkilineni	39,17,600	1.41	0.00	39,17,600	1.41	0.00	-
4.	Mr. MSS Srinath	19,56,920	0.70	0.00	19,56,920	0.70	0.00	-
5.	Mikkilineni Deeksha	20,31,187	0.73	0.00	20,87,187	0.75	0.00	+0.02
6.	Mrs. A Uma Devi	9,50,397	0.34	0.00	9,50,397	0.34	0.00	-
7.	Barclays Wealth Trustees India Private Limited - Trusetee for Aluru Family Private Trust	14,11,41,643	50.92	0.00	14,18,17,643	51.16	0.00	+0.24
8.	Barclays Wealth Trustees India Private Limited - Mikkilineni Family Private Trust	1,22,000	0.04	0.00	2,53,134	0.09	0.00	0.05
Total		16,21,81,966	58.51	0.00	16,21,81,966	58.51	0.00	+0.46

c. Change in Promoters' Shareholding

SL No	Name of the Shareholder	Beginning of the year		Date and nature of change	Increase/ Decrease		Cumulative	
		No. of Shares	% of Total Shares		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1	Kavita Prasad	96,36,976	3.48	Acquired on various days.	+1,51,410	+0.05	97,88,386	3.53
2	Barclays Wealth Trustees India Private Limited - Trustee for Aluru Family Private Trust	14,11,41,643	50.92	Acquired on various days.	+6,76,000	+0.24	14,18,17,643	51.16
3	Dr. A. J. Prasad	24,25,243	0.87	Acquired on various days	+2,67,584	+0.10	26,92,827	0.97
4	Mikkilineni Deeksha	20,31,187	0.73	Acquired on various days	+56,000	0.02	20,87,187	0.75

d. Shareholding Pattern of top ten public group Shareholders (ADR/GRD's not included)

SI No	Top 10 Shareholders The shares of the Company are traded on a daily basis and hence the date wise date is not possible. PAN based Shareholding is provided.	Shareholding as at 01.04.2021		Cumulative Shareholding as at 31.03.2022	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Oman India Joint Investment Fund	2,68,42,240	9.68	2,58,42,240	9.32
2	Banyantree Growth Capital, L.L.C.	2,89,83,735	10.46	2,34,69,551	8.47
3.	Investor Education And Protection Fund Authority	9,72,210	0.35	9,72,210	0.35
4.	Suvarna Kumari Agrawal	-	-	9,00,000	0.32
5.	Acadian Emerging Markets Small Cap Equity Fund	5,34,722	0.19	4,83,970	0.17
6.	Viraj Impex Private Limited	4,20,000	0.15	4,20,000	0.15
7.	Bishwanath Prasad Agrawal	-	-	4,03,000	0.15
8.	Rekhaben Indubhai Vassa	-	-	3,16,400	0.11
9.	Emerging Markets Core Equity Portfolio	-	-	3,01,715	0.11
10.	Jagdish Amritlal Shah	2,79,940	0.10	2,79,940	0.10

e. Shareholding of Directors and Key Managerial Personnel:

Sr.No.	Beneficiary Account no	Name of the Shareholder	Date	Shareholding as at 01.04.2021		Cumulative Shareholding as at 31.03.2022	
				No. of shares	% of total shares	No. of Shares	% of total shares of the company
1	IN303559-10011800	Dr. A J Prasad	01.04.2021	24,25,243	0.87		
			31.03.2022			26,92,827	0.97
2	IN303559-10001640	Mr. MSS Srinath	01.04.2021	19,56,920	0.70		
			31.03.2022			19,56,920	0.70
3	IN303559-10001666	Mrs. Kavita Prasad	01.04.2021	96,36,976	3.48		
			31.03.2022			97,88,386	3.53

f. Indebtedness: Indebtedness of the Company including interest outstanding / accrued but not due for payment as at 31.03.2022.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness In lakhs
Indebtedness at the beginning of the financial year				
i. Principal Amount	1,024.93	-	-	1,024.93
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	0.44	-	-	0.44
Total (i+ii+iii)	1,025.37	-	-	1,025.37
Change in indebtedness during the financial year				
- Addition	2,056.95	-	-	2,056.95
- Reduction	(19.70)	-	-	(19.70)
Net Change	3,062.62	-	-	3,062.62
Indebtedness at the end of the financial year				
i. Principal Amount	3,062.62	-	-	3,062.62
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,062.62	-	-	3,062.62

g. Remuneration of Directors and Key Managerial Personnel

(i). Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total ₹ lakhs
		Dr. A J Prasad	Kavita Prasad	
1	Total Salary (₹)	96.15	33.30	129.45
2	Commission on profit (₹)	356.94	-	356.94
	Total	453.09	33.30	486.39

(ii) Remuneration to other Directors:

Fee for attending board / committee meetings: Independent Directors	Amount (₹) - Gross
CA P Ganapathi Rao	1,75,000
Mr. K V Sriram	1,75,000
Total	3,50,000

Mrs. Preeti Khandelwal and Mrs. Richa Datta, Non-Executive Independent Directors, consented not to take sitting fee for the meetings of the Board and Committees.

(iii) Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total ₹ Lakhs
		MSS Srinath President	MVSS Kumar Company Secretary	K. Sridharan Chief Financial Officer	
	Total Salary	50.55	16.88	34.00	101.43

h. Penalties / Punishment/ Compounding of Offences: There were no penalties, punishment or compounding of offences during the year ended March 31, 2022.

Annexure IV

FORM NO. MR - 3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to section 204(1) of Companies Act, 2013 and rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
HBL Power Systems Limited,
CIN: L40109TG1986PLC006745,
Registered Office :8-2-601, Road No.10,
Banjara Hills, Hyderabad - 500 034, Telangana.

I have conducted the secretarial audit for compliance of applicable statutory provisions and adherence to good corporate practices by HBL Power Systems Limited (hereinafter called the "Company"). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 (hereinafter called the "Audit Period") 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 and were made available to me, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies (Amendment) Act, 2017 (to the extent notified and applicable);
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') (as amended by the Finance Act, 2017) and the rules made thereunder;
- III. The Depositories Act, 1996 (as amended by the Finance Act, 2017) and the regulations and bye-laws framed thereunder;
- IV. 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 (as amended from time to time);
- V. Compliance report with respect to Securities and Exchange Board of India Act, 1992 ('SEBI Act'), various listing and other Regulations prescribed by SEBI have been covered in my Annual Secretarial Compliance Report dated May 27, 2019, copy of which is annexed to this report as Annexure B, issued for the financial year ended March 31, 2022 pursuant to SEBI circular No. CIR/CFD/CMD1/27/2019 dated Feb 08, 2019 and therefore specific comment under this para has not been made separately.

I have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors (SS -1) and General Meetings (SS -2) issued by The Institute of Company Secretaries of India and the revised Secretarial Standards (SS - 1) and (SS - 2) for the time being in force.

I have also examined compliance with the applicable clauses of the Uniform Listing Agreement entered by the Company with the Bombay Stock Exchange and National Stock Exchange effective from March 23, 2016.

I report that, during the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Notifications, Guidelines, Circulars, Secretarial Standards and the Uniform Listing Agreement issued by the appropriate authorities in this regard mentioned above.

The Company does not have any Foreign Direct Investments except for shareholding by foreign entities / individuals / NRI's under normal permitted portfolio investment and there are no External Commercial Borrowings.

I further report that, there were no events / actions requiring compliance thereof by the Company during the Audit Period in pursuance of:

- a) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Guidelines, 2014.

I further report that, based on present sector / industry of the Company and on examination of the relevant documents and records in pursuance thereof, on a test-check basis, the Company has complied with specifically applicable laws including any statutory modification or re-enactment thereof for the time being in force and the rules, regulations, guidelines, notifications, circulars framed thereunder:

I further report that, based on the information provided and the representation made by the Company and also on the review of the compliance reports taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes exist in the Company to monitor and ensure compliance with provisions of applicable general laws like economic laws, labour laws and environmental laws.

I further report that, the Board of Directors of the Company was duly constituted with proper balance of 2 (two) Executive Directors, 6 (six) Non-Executive Directors out of which 5 (five) are Independent Directors including 2 (Two) Women Director.

The following changes took place in the Board of Directors during the reporting period:

S. No.	Name of the Board member	DIN	Nature of change	Date of change	Category
1.	Ajay Bhaskar Limaye	02762738	Nomination withdrawn	13.04.2021	Nominee Director-Non-Executive-Non-Independent Director
2.	Abhishek Girdharilal Poddar	07143528	Resignation	21.06.2021	Non-Executive-Non-Independent Director
3.	Advay Bhagirath Mikkilineni	09207003	Appointment	21.06.2021	Non-Executive Director
4.	Dr. Ramanujula Nanda Kumar Ramnath	03639492	Appointment	13.08.2021	Non-Executive- Independent Director

I further report that, the Key Managerial Personnel as required under the Act were duly appointed by the Company.

Adequate notice was given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent in advance to all Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Meetings duly recorded and signed by the Chairman, the decisions of the Board were with requisite majority.

I further report that, based on the review of the compliance reports submitted by the management of the Company, I am of the opinion that there were 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.

I report further that, during the audit period there were no other specific events / actions in pursuance of the above referred laws, rules, regulations, guidelines, etc., having a major bearing on the Company's affairs.

Vinay Babu Gade

Company Secretary in Practice
ACS No: 20592 CP No: 20707
UDIN: A020592D000225676

Place: Hyderabad

Date : 28.04.2022

This report is to be read with my letter of even date which is annexed as Annexure - 'A' and forms an integral part of this report.

Annexure - 'A'

To,

The Members,

HBL Power Systems Limited,

CIN: L40109TG1986PLC006745,

Registered Office: 8-2-601, Road No.10,

Banjara Hills, Hyderabad - 500 034.

Telangana State

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
4. I have not verified the correctness and appropriateness of financial records and books of account of the Company.
5. Wherever required, I have obtained management representation about the compliance of laws, rules, regulations, guidelines and happening of events, etc.
6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, guidelines, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Vinay Babu Gade

Company Secretary in Practice

ACS No: 20592 CP No: 20707

UDIN: A020592D000225676

Place: Hyderabad

Date : 28.04.2022

Annexure – V

Secretarial compliance report of HBL Power Systems Limited for the year ended March 31, 2022

(Note: This is Annual Compliance report is issued on June 01, 2020 pursuant to SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020)

HBL Power Systems Limited,

CIN: L40109TG1986PLC006745,

Registered Office: 8-2-601, Road No.10,

Banjara Hills, Hyderabad - 500 034,

Telangana State

I, Vinay Babu Gade, Practicing Company Secretary, have examined:

- a. all the documents and records made available to me and explanation provided by HBL Power Systems Limited ("HBL"/"the listed entity"),
- b. the filings/ submissions made by the listed entity to the stock exchanges,
- c. website of the listed entity,
- d. any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the year ended March 31, 2022 ("Review Period") in respect of compliance with the provisions of :

- i. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- ii. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- I. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- II. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- III. Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- IV. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- V. Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- VI. Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- VII. Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;
- VIII. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

and based on the above examination, I hereby report that, during the Review Period:

- a. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:- No such instances

- b. The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my examination of those records.
- c. No action has been taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder except for imposition of penalty under SOP by the NSE and BSE for not filing the particulars of the related party transactions under regulation 23(9) within the stipulated period and accordingly, the Company has paid the penalty.
- d. The listed entity has taken the following actions to comply with the observations made in previous reports:
Not Applicable

Date: 28.04.2022

Place: Hyderabad

Name of the PCS: **Vinay Babu Gade**

ACS No.:20592 CP No. :20707

UDIN: A020592D00025665

Annexure VI

To,

The Members,

HBL Power Systems Limited,

CIN: L40109TG1986PLC006745,

Registered Office :8-2-601, Road No.10,

Banjara Hills, Hyderabad - 500 034, Telangana

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of HBL Power Systems Limited having CIN L40109TG1986PLC006745 and having registered office at 8-2-601, Road No.10, Banjara Hills, Hyderabad – 500034, Telangana State (hereinafter referred to as 'the Company'), produced before me by the Company 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.

In our opinion and to the best of our information and according to the verifications (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 for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Name of the Director and category	DIN	Date of appointment
DR. A J Prasad - Chairman & Managing Director	00057275	29/08/1986
Poruri Ganapathi Rao - Non-Executive - Independent Director	00089685	25/04/2005
Preeti Khandelwal - Non-Executive - Independent Director	00027999	02/03/2009
KV Sriram - Non-Executive - Independent Director	00073911	07/02/2018
Richa Datta - Non-Executive - Independent Director	08084501	15/03/2018
Kavita Prasad - Executive Director	00319292	10/08/2018
Advay Bhagirath Mikkilineni - Non-Executive–Non-Independent Director	09207003	21/06/2021
Dr.Ramanujulu Nandakumar Ramnath - Non-Executive-Independent Director	03639492	13/08/2021

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. 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.

Vinay Babu Gade

Company Secretary in Practice

ACS No.: 20592 CP No. :20707

UDIN: A020592D000414194

Place: Hyderabad

Date : 28.05.2022

Annexure VII

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2021-22

I. Corporate Governance and Company's philosophy:

HBL's philosophy on Corporate Governance is founded upon strong fundamentals of fair, principled and transparent practices of governance. Corporate Governance practices have been placed in the Company well before regulatory requirements were mandated. These practices include professionalism, honesty, integrity and ethical behaviour. Through the governance mechanism in the Company, the Board along with its Committees accepts its accountabilities to all its stakeholders by safeguarding transparency, fair play and independence in its decision making.

The Code of Conduct for employees including the Executive Directors has been put in place and practice. Apart from the code of conduct for employee, HBL implemented a separate code of conduct for non-executive directors which include Independent Directors duties in line with Companies Act, 2013 ("the Act") and rules made thereunder. The corporate governance practice includes sending updates to the Board of Directors on regulatory and legislative amendments which includes Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Insider Trading Code").

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance.

In this report the constitution of the Board and its different committees are covered in detail.

II. Board of Directors

As on March 31, 2022, the Board of Directors of your Company comprises of:

Category	No of Directors
Executive Chairman and Managing Director	1 (One)
Executive Director	1 (One)
Non-Executive Directors*	6 (Six)
Total^	8 (Eight)
* Includes Independent Directors with two women Independent Directors	5 (five)
^ Includes women Directors	3 (three)

Out of the total Board composition, 75% of Board consists of non-executive directors of which 83.33 % are independent directors with two woman independent directors. Out of the total number of Board members 37.5% are women Directors. The company is in compliance with the requirements of Section 149 and 152 of the Act read with Regulation 17 of the SEBI Listing Regulations. The Company has an appropriate composition and size of the Board.

- None of the directors on the Board
 - holds directorships in more than ten public companies;
 - is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a director.
 - who are Executive Directors serves as independent directors in any other Company.
- Necessary disclosures regarding committee positions in other public companies as on March 31, 2022 have been made by the directors. None of the directors is related to each other except Dr. A J Prasad, Mrs. Kavita Prasad and Mr. Advay Bhagirath Mikkilineni.

- Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.
- Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.
- Mr. Advay Bhagirath Mikkilineni, Non-Executive Director and Dr. Ramanujulu Nandakumar Ramnath, Non-Executive Independent Director, were appointed on the Board with effect from June 21, 2021 and August 13, 2021 respectively. Mr. Ajay Bhaskar Limaye and Mr. Abhisekh G Poddar ceased as Directors with effect from April 13, 2021 and June 21, 2021 respectively.
- Four meetings of the Board of Directors were held during the reporting period and the gap between two meetings did not exceed one hundred twenty days as per the requirements under the Companies Act, 2013 read with SEBI regulations. The said meetings were held on June 21, 2021; August 13, 2021; November 12, 2021 and February 12, 2022. Necessary quorum was present for all the meetings.
- The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2022 are given below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director and DIN Number	Category#	Board meetings attendance during the year	Attendance at last AGM held on September 25, 2021	Directorships in other Public Companies @		Committee positions held in other Public Companies	
				Chairman	Member	Chairman	Member
Dr. A J Prasad Chairman and Managing Director (DIN: 00057275)	PEC	4	Yes	-	-	-	-
Mrs. Kavita Prasad Executive director (DIN:00319292)	ED	4	Yes	-	-	-	-
CA. P Ganapathi Rao (DIN: 00089685)	NEID	4	Yes	-	-	-	-
Mrs. Preeti Khandelwal (DIN: 00027999)	NEID	4	No	-	-	-	-
Mr. K V Sriram (DIN: 00073911)	NEID	4	Yes	-	2	-	-
Mrs. Richa Datta (DIN: 08084501)	NEID	2	No	-	-	-	-
Mr. Advay Bhagirath Mikkilineni (DIN: 09207003)	NENID	1	No	-	-	-	-
Dr. Ramanujulu Nandakumar Ramnath (DIN: 03639492)	NEID	2	No	1	1	1	1

Directors who ceases to be on the Board during the reporting period:

Name of the Director and DIN Number	Category #	Attendance at the Board meetings	Attendance at last AGM held on September 25, 2021	Directorships in other Public Companies @	Positions held in Committees of other Public Companies
Mr. Ajay Bhaskar Limaye (DIN: 02762738)	NENID		Resigned with effect from 13.04.2021		
Mr. Abhishek G Poddar (DIN:07143528)	NENID		Resigned with effect from 21.06.2021		

Note:

PED: Promoter and Executive Chairman; ED: Executive Director; NEID: Non-Executive Independent Director; NENID: and Non-Executive-Non-Independent Director

@ Directorship in other public entities excluding this company.

Due to Covid-19 pandemic and consequent relaxation by Ministry of Corporate Affairs and Securities and Exchange Board of India, audio-video/tele-conferencing facilities were used to facilitate directors to participate in the meetings from respective locations.

Directorship in other public Companies

Name of the Director and DIN Number	Category in this Company	Directorship in other public Companies and designation
Dr. A J Prasad (DIN: 00057275)	Promoter and Executive Chairman	NIL
Mrs. Kavita Prasad (DIN:00319292)	Executive Director	NIL
CA. P Ganapathi Rao (DIN: 00089685)	Non-Executive Independent Director	NIL
Mrs. Preeti Khandelwal (DIN: 00027999)	Non-Executive Independent Director	NIL
Mr. K V Sriram (DIN: 00073911)	Non-Executive Independent Director	Andhra Electronics Limited – Managing Director Sri Bhavani Castings Limited – Whole Time Director
Mrs. Richa Datta (DIN: 08084501)	Non-Executive Independent Director	NIL
Mr. Advay Bhagirath Mikkilineni (DIN: 09207003)	Non-Executive-Non-Independent Director	NIL
Dr. Ramanujulu Nandakumar Ramnath (DIN: 03639492)	Non-Executive Independent Director	Trident Sugars Limited – Managing Director

During the financial year, information required in Part A of Schedule II of the SEBI Listing Regulations, 2015 as amended, was placed before the Board for its consideration wherever applicable.

During the reporting period a meeting of the Independent Directors was held on February 12, 2022 for review of performance of Non-Independent Directors, Chairman and the Board as a whole.

Status on compliance of applicable laws was reviewed periodically by the Board.

Details of equity shares of the Company held by the directors as on March 31, 2022 are given below. The Company has not issued any convertible security.

Name	Category	No of equity shares of ₹1 each	% of holding
Dr. A J Prasad	Chairman and Managing Director	26,92,827	0.97
Mrs. Kavita Prasad	Executive Director	97,88,386	3.53
Mr. Advay Bhagirath Mikkilineni	Non-Executive-Non-Independent Director	39,17,600	1.41

The above shareholding of the Directors does not include shares held by the members of the promoter group.

The Board has acknowledged the following skills/expertise/ experiences for the effective functioning of the Company which are currently available with the Board :

Domestic and International Business	Complete knowledge of domestic and international business needs and changes, across various geographical markets, industry and product verticals and governing influences.
Business Strategy	Long term appreciation of trends, calculated choices and involvement in guiding and leading organization teams to make judgments in uncertain environments.
Governance	Knowledge in emerging governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

III. Committees of the Board

(1) There are five committees of the Board as on March 31, 2022, details of which are as follows:

Name of the Committee	Category and composition	Major terms of reference	Other details	
Audit Committee	Name	Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act. <ul style="list-style-type: none"> Oversight of financial reporting process. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval. Evaluation of internal financial controls and risk management systems. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company. Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same. 	<ul style="list-style-type: none"> Four meetings of the Audit Committee were held during the year and the gap between two meetings did not exceed one hundred and twenty days. Committee invites head of the finance function, representatives of the statutory auditors, cost and internal auditors, as it considers appropriate, to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee. The previous AGM of the Company was held on September 25, 2021 and was attended by CA P. Ganapathi Rao, Chairman of the Audit Committee. 	
	CA. P. Ganapathi Rao (Chairperson)			NEID
	Mrs. Preeti Khandelwal			NEID
	Mr. K. V. Sriram			NEID
	Mrs. Richa Datta			NEID
	Mrs. Kavita Prasad			ED

Name of the Committee	Category and composition	Major terms of reference	Other details												
Nomination and Remuneration Committee	<table border="1"> <thead> <tr> <th>Name</th> <th>Category*</th> </tr> </thead> <tbody> <tr> <td>CA. P. Ganapathi Rao (Chairperson)</td> <td>NEID</td> </tr> <tr> <td>Mrs. Preeti Khandelwal</td> <td>NEID</td> </tr> <tr> <td>Mr. K. V. Sriram</td> <td>NEID</td> </tr> <tr> <td>Mrs. Richa Datta</td> <td>NEID</td> </tr> </tbody> </table>	Name	Category*	CA. P. Ganapathi Rao (Chairperson)	NEID	Mrs. Preeti Khandelwal	NEID	Mr. K. V. Sriram	NEID	Mrs. Richa Datta	NEID	<p>Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.</p> <ul style="list-style-type: none"> • Recommends to the Board its composition and the set up and composition of the committees. • Recommends to the Board the appointment / re-appointment of Directors and Key Managerial Personnel (KMP). • Carry out evaluation of every director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual directors. • Recommends to the Board the Remuneration Policy for directors, executive team, Key Managerial Personnel, as well as the rest of employees. • Oversee the Human Resource philosophy, Human Resource and People strategy and Human Resource practices including those for leadership development, rewards and recognition, talent management and succession planning. • Oversee familiarization programmes for directors. 	<p>Two meetings were held during the financial year.</p> <ul style="list-style-type: none"> • The Company does not have any Employee Stock Option Scheme. • Details of Performance Evaluation Criteria and Remuneration Policy are provided in this report. 		
	Name	Category*													
	CA. P. Ganapathi Rao (Chairperson)	NEID													
	Mrs. Preeti Khandelwal	NEID													
	Mr. K. V. Sriram	NEID													
Mrs. Richa Datta	NEID														
Stakeholders Relationship Committee	<table border="1"> <thead> <tr> <th>Name</th> <th>Category*</th> </tr> </thead> <tbody> <tr> <td>CA. P. Ganapathi Rao (Chairperson)</td> <td>NEID</td> </tr> <tr> <td>Mrs. Preeti Khandelwal</td> <td>NEID</td> </tr> <tr> <td>Mr. K. V. Sriram</td> <td>NEID</td> </tr> <tr> <td>Mrs. Richa Datta</td> <td>NEID</td> </tr> <tr> <td>Mrs. Kavita Prasad</td> <td>ED</td> </tr> </tbody> </table>	Name	Category*	CA. P. Ganapathi Rao (Chairperson)	NEID	Mrs. Preeti Khandelwal	NEID	Mr. K. V. Sriram	NEID	Mrs. Richa Datta	NEID	Mrs. Kavita Prasad	ED	<p>Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.</p> <ul style="list-style-type: none"> • Consider and resolve the grievances of security holders. • Consider and approve issue of share certificates, transfer and transmission of securities, etc. 	<p>Four meetings of the Stakeholders' Relationship Committee were held during the year.</p> <ul style="list-style-type: none"> • The Company has always valued its customer relationship. This philosophy has been extended to investor relationship. The Committee focuses on servicing the needs of various stakeholders viz., investors, analysts, brokers and the general public. • Details of investor complaints and the Compliance Officer are provided in this report.
	Name	Category*													
	CA. P. Ganapathi Rao (Chairperson)	NEID													
	Mrs. Preeti Khandelwal	NEID													
	Mr. K. V. Sriram	NEID													
Mrs. Richa Datta	NEID														
Mrs. Kavita Prasad	ED														

Name of the Committee	Category and composition	Major terms of reference	Other details	
Corporate Social Responsibility Committee	Name	Category*	Committee is constituted in line with the provisions of Section 135 of the Act. <ul style="list-style-type: none"> Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act. Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy. Monitor the CSR Policy. 	Three meetings of the CSR Committee were held during the year.
	CA. P. Ganapathi Rao (Chairperson)	NEID		
	Mrs. Preeti Khandelwal	NEID		
	Mr. K. V. Sriram	NEID		
	Mrs. Richa Datta	NEID		
	Mrs. Kavita Prasad	ED		
Risk Management Committee	Name	Category*	Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations. <ul style="list-style-type: none"> Formulate, monitor and review risk management policy and plan, inter-alia, covering investment of surplus funds, management of foreign exchange risks, cyber security risks, data privacy risks and intellectual property infringements risks. Approve addition/deletion of banks from time to time for carrying out Treasury transactions and delegate the said power to such person as may deem fit. 	The Committee was constituted on November 12, 2021 and one meeting of the committee was held during the year under review. <ul style="list-style-type: none"> Periodical reports are made available to the members of the committee.
	CA. P. Ganapathi Rao (Chairperson)	NEID		
	Mrs. Preeti Khandelwal	NEID		
	Mr. K. V. Sriram	NEID		
	Mrs. Richa Datta	NEID		
	Mrs. Kavita Prasad	ED		

* Category: ED: Executive Director; NEID: Non-Executive Independent Director; NED: Non-Executive Director and NENID : Non-Executive Non-Independent Director

(2) Stakeholder Relationship Committee – Other details

a. Name, designation and address of the compliance officer:

MVSS Kumar, Company Secretary
 HBL Power Systems Limited
 8-2-601, Road 10, Banjara Hills, Hyderabad- 500034
 Ph: 040-23355575, fax No. 040-23355048
 Email: investor@hbl.in

b. Details of investor complaints :

S. No	Subject Description	Opening Balance as on April 01, 2021	Received During the Year					Resolved during the year	Closing Balance as on March 31, 2022
			Q1	Q2	Q3	Q4	Total		
1	Change/correction of address	-	3	5	8	6	22	22	-
2	Non receipt of dividend warrants	-	14	14	20	29	77	77	-
3	Correspondence/query - NSDL operations	-	4	1	1	-	6	6	-
4	Loss of securities / request for issue of duplicate	-	6	20	17	9	52	52	-
5	Receipt of documents for issue of dup securities	-	-	-	3	3	6	6	-
6	Non receipt of securities	-	4	8	12	7	31	31	-
7	Non receipt of annual reports	-	-	1	-	-	1	1	-
8	SEBI Complaints	-	-	-	-	1	1	1	-
Total		-	31	49	61	55	196	196	-

(3) Nomination and Remuneration Committee - other details

The Nomination and Remuneration Committee of the Company is empowered to review the remuneration of the Chairman and Managing Director and the Executive Directors, retirement benefits to be paid to them, recommending on the amount and distribution of commission based on criteria fixed by the Board and approved by the members, if any.

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) to its Chairman and Managing Director and the Executive Director and commission (variable component) to its Chairman and Managing Director. Annual increments are recommended by the Nomination and Remuneration Committee within the salary scale approved by the members. The Nomination and Remuneration Committee decides on the commission payable to the Chairman and Managing Director out of the profits for the financial year and within the ceilings prescribed under the Act based on the performance of the Company as well as that of the Executive Directors.

(4) Details of remuneration and fees paid during the year:

a. Directors' remuneration for the year 2021-22

(₹ in lakhs)

Name of the Director	Designation	Remuneration paid	Commission Paid	Total
Dr. A J Prasad	Chairman and Managing Director	96.15	356.94	453.09
Mrs. Kavita Prasad	Executive Director	33.30	-	33.30
Total		129.45	356.94	486.39

Mrs. Kavita Prasad, Executive Director (who is a relative of the Chairman and Managing Director) has been paid ₹7.73 lakhs as rental charges for a premises owned by her, which was leased by the Company.

b. Independent Directors were paid sitting fees for the board meetings in 2021-22.

Name of Directors	Board meetings	Committee meeting (for all)	Sitting fees paid (₹)
CA. P Ganapathi Rao	4	14	1,75,000.00
Mr. K V Sriram	4	14	1,75,000.00
Total			3,50,000.00

* Preeti Khandelwal and Richa Datta, Non-Executive Independent Director, consented not to take sitting fee for the meetings of the Board and Committees.

(5). Number of committee meetings held and attendance record:

Name of the Committee	Audit Committee	Nomination and Remuneration committee	Stakeholders Relationship Committee	CSR Committee	Risk Management Committee
Number meetings	4 (Four)	2 (Two)	4 (Four)	3 (Three)	1 (one)
Date of meetings	21.06.2021, 13.08.2021, 12.11.2021 and 12.02.2022	21.06.2021 and 13.08.2021	21.06.2021, 13.08.2021, 12.11.2021 and 12.02.2022	21.06.2021, 12.11.2021 and 12.02.2022	12.02.2022
Name of the member	Attendance				
CA. P Ganapathi Rao	4	2	4	3	1
Mrs. Preeti Khandelwal	4	-	-	1	
Mr. K V Sriram	5	2	3	3	
Mrs. Richa Datta	1	-	-	1	
Mrs. Kavita Prasad	5	-	4	3	

IV. General Meetings

(1) (a) Annual General Meetings :

Financial Year	Date of meeting	Venue	Time
March, 2019	September 26, 2019	Federation of Telangana and AP Chambers of Commerce & Industry, Red Hills, Hyderabad-500 004, Telangana State.	4.00 pm
March, 2020	September 24, 2020	Meeting conducted through Video Conferencing ("VC")/ Other Audio Video Means ("OAVM") pursuant to the MCA and SEBI Circulars.	
March, 2021	September 25, 2021		

(b) Extraordinary General Meeting: No extraordinary general meeting was held during the financial year 2021-22.

(c) Special Resolutions: No special resolution was passed in the previous AGM

(2) Details of special resolution passed through postal ballot: No resolution was passed by postal ballot during the reporting period.

(3) Disclosure pursuant to Clause 10(i) in Part C of Schedule V of the SEBI LODR: A certificate has been received from CS Vinay Babu Gade, Practicing Company Secretary, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

(4) Disclosure pursuant to Clause 10(k) in Part C of Schedule V of the SEBI LODR: in lakhs

Particulars	Amount
Statutory audit	35.00
Certifications	12.00
Total (excluding GST)	47.00

V. Other disclosures

Particulars	Legal requirement	Details
Related party transaction	Regulation 23 of the SEBI Listing Regulations and as defined under the Act	All transactions entered into with related parties as defined under the Companies Act, 2013 and rules made thereunder and Regulation 23 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business. These have been approved by the audit committee from time to time. However, there are no material related party transactions during the year that have conflict of interest of the Company.
Details of Non - Compliance by the Company	Schedule V(C) 10(b) to the SEBI Listing Regulations	There were no cases of non-compliance during the last three financial years except for imposition of penalty under SOP by the NSE and BSE for not filing the particulars of the related party transactions under regulation 23(9) within the stipulated period and accordingly, the Company has paid the penalty.
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has a general Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit Committee. The said policy has been uploaded on the website of the Company. The same is available on the website of the company at http://hbl.in/whistle-blower-policy.pdf
Discretionary requirements	Schedule II Part E of the SEBI Listing Regulations	The auditors' reports on financial statements of the Company are unmodified.
Subsidiary Companies	Regulation 24 of SEBI Listing Regulations	The Audit Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have any material unlisted subsidiary company. Since the Company does not have any material subsidiary, requirement of disclosure does not arise. However, the financial statements of the subsidiary and associate companies are available on the website of the company at http://hbl.in/investors-continue.php .
Policy on archival and preservation of documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted this policy.
Reconciliation of Share Capital Audit Report	Regulation 76 of the Securities and exchange Board of India (Depositories and Participants) Regulations, 2018 and SEBI Circular No.D&CC/FITTC/ Cir-16/2002 dated December 31, 2002.	A practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.
Code of Conduct	Regulation 17 of SEBI Listing Regulations	The members of the Board and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2019. The Annual Report of the Company contains a certificate by the Chief Executive Officer and Managing Director, on the compliance declarations received from Independent Directors, Non-Executive Directors and Senior Management. The code is made available on the website of the company at http://hbl.in/reports/code_of_conduct_directors.pdf .

Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations	Dividend is paid on the recommendation of the Board of Directors and approval of the members in their meeting. The policy is made available on the website of the company at http://hbl.in/reports/dividend-distribution-policy.pdf .
Risk management	Regulation 21 of the SEBI Listing Regulations	The Board has been very meticulous in making aware all the members about the potential hazards that the company can be exposed to. It is this meticulous functioning and close monitoring that the Company has a distinct advantage of reducing the hazards be it a business or financial risk or legal and statutory risk or a management risk. In fact the very philosophy of the corporate governance vouches the effort in imparting the right education and management practices at functional level to review Company's risk mitigation strategies relating to identified key risks as well as the processes for monitoring and mitigating such risks.
Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018	Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.	Details have been disclosed in the Directors' Report

VI. Means of communication

The quarterly, half-yearly and annual financial results of the Company are published in newspapers viz. Financial Express in English and Nava Telangana in Telugu. The results are also displayed on the Company's website www.hbl.in/investor. Statutory notices are published in Financial Express in English and Nava Telangana in Telugu. Financial Results, Statutory Notices after the declaration of the quarterly, half-yearly and annual results are submitted to the National Stock Exchange of India Limited and BSE Limited as well as uploaded on the Company's website. A Management Discussion and Analysis Report is a part of this Annual Report.

VII. General shareholder information

1.	Forthcoming Annual General Meeting - Date, Time & Venue	September 27, 2022 at 4.00 PM Meeting is being conducted through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 read with general circulars dated April 8, 2020, April 13, 2020, January 13, 2021 and December 14, 2021 as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM. As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.
2.	Financial year	2021-22
	Financial reporting:	
	First quarter ending 30/06/21	August 13, 2021
	Half-year ending 30/09/21	November 12, 2021
	Third quarter ending 31/12/21	February 12, 2022
	Forth and Audited annual results	Standalone and Consolidated : June 26, 2022
3.	Dates of book-closure	Saturday, September 17, 2022 to Tuesday, September 27, 2022 (both days inclusive)
4.	Dividend recommended (subject to approval of shareholders at AGM)	Final Dividend: recommended 40% on paid up equity share capital.

5.	Registered office and Secretarial office	8-2-601, Rd. No.10, Banjara Hills, Hyderabad- 500 034 Contact person: Company Secretary Phone: 040-2335 5575, Fax: 040-2335 5048 E-Mail: contact@hbl.in; investor@hbl.in
6.	Registrars for Electronic Transfer and Physical Transfer of Shares	KFin Technologies Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032 Contact Person: B.Swati Reddy, Manager–Corporate Registry Phone nos. + 91-40-67161530 E-mail : mailmanager@karvy.com
7.	Plant locations	Aliabad, Shameerpet, RR Dist., TS Nandigoan, Kothur, Mahabubnagar Dist., TS Kandivalasa, Posapatirega, Vizainagaram, AP VSEZ, Visakhapatnam, AP Thumkunta, Shameerpet, RR Dist, TS Narsaraopeta, AP
8.	Listing on Stock Exchanges	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
9.	Stock Code	BSE: 517271 and NSE: HBLPOWER
	ISIN number	INE 292BO1021
	Corporate Identity Number (CIN)	L40109TG1986PLC006745

VIII. Category of shareholding

S. No.	Category	As on March 31, 2021		As on March 31, 2022	
		No of shares	%	No of shares	%
I	Promoters				
A	Individuals	2,09,18,323	7.55	2,13,93,317	7.72
B	Body Corporate	14,12,63,643	50.96	14,20,70,777	51.25
	Total = I(A) + (B)	16,21,81,966	58.51	16,34,64,094	58.97
II	Public				
A	Institutions				
a.	Venture Capital Funds	2,68,42,240	9.68	2,58,42,240	9.32
b.	Foreign venture Capital and portfolio Investors	2,95,75,735	10.67	2,53,66,237	9.15
c.	Financial Institutions / Banks	5,000	0.01	5,000	0.01
	Total II (A)	5,64,22,975	20.36	5,12,13,477	18.48
B	Non-Institutions				
a.	Individuals	5,28,36,290	19.06	5,67,66,494	20.48
b.	Non-Resident Indians	22,71,429	0.82	20,74,244	0.75
c.	Body corporate, trusts	18,14,571	0.65	22,82,384	0.82
d.	Clearing members, Alternative Investment fund	6,95,505	0.25	4,22,043	0.15
e.	IEPF	9,72,210	0.35	9,72,210	0.35
	Total II (B)	5,85,90,005	21.13	6,25,17,375	22.55
	Total = II (A) + (B)	11,50,12,980	41.49	11,37,30,852	41.03
	Grand total (I) + (II)	27,71,94,946	100.00	27,71,94,946	100.00

IX. Distribution Schedule (based on folios, not consolidated on the basis of PAN):

S.No	Category	No of Shareholders		% of Shareholders		No. of shares		% to total equity	
		March, 2021	March, 2022	March, 2021	March, 2022	March, 2021	March, 2022	March, 2021	March, 2022
1	1-5000	77,495	1,42,438	98.19	98.93	3,17,36,383	3,56,16,710	11.45	12.85
2	5001- 10000	794	880	1.00	0.61	60,86,673	66,66,797	2.20	2.41
3	10001- 20000	352	372	0.44	0.26	49,22,911	53,84,971	1.78	1.94
4	20001- 30000	129	123	0.16	0.09	31,95,006	30,29,919	1.15	1.09
5	30001- 40000	45	50	0.06	0.03	15,74,887	17,49,135	0.57	0.63
6	40001- 50000	25	31	0.03	0.02	11,81,142	14,53,599	0.43	0.52
7	50001- 100000	49	56	0.06	0.04	35,20,055	39,86,563	1.26	1.44
8	100001& Above	37	34	0.04	0.02	22,49,77,889	21,93,07,252	81.16	79.12
Total:		78,926	1,43,984	100.00	100.00	27,71,94,946	27,71,94,946	100.00	100.00

X. Top ten shareholders as on March 31, 2022 (other than promoters / promoters group)

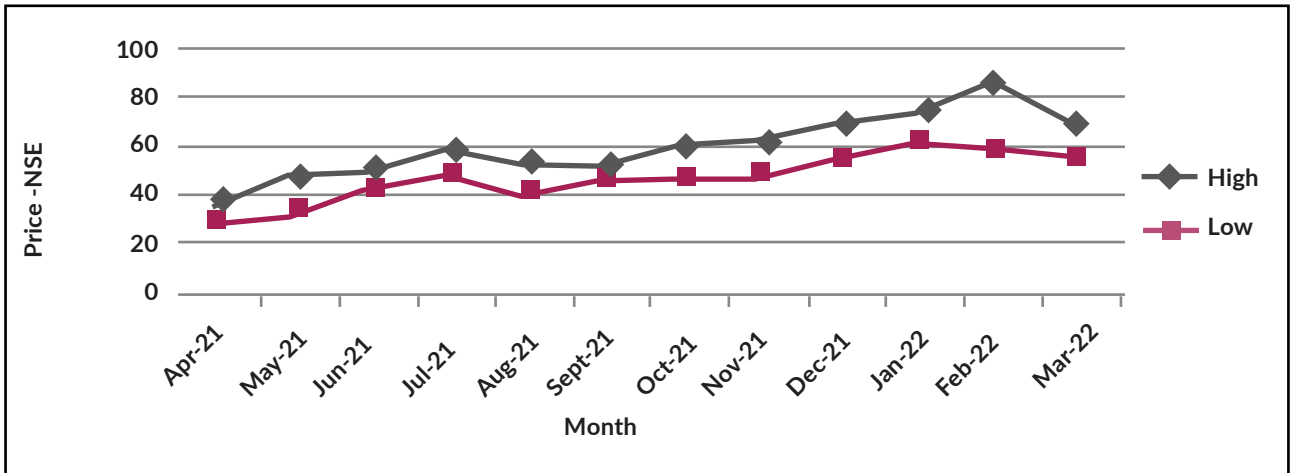
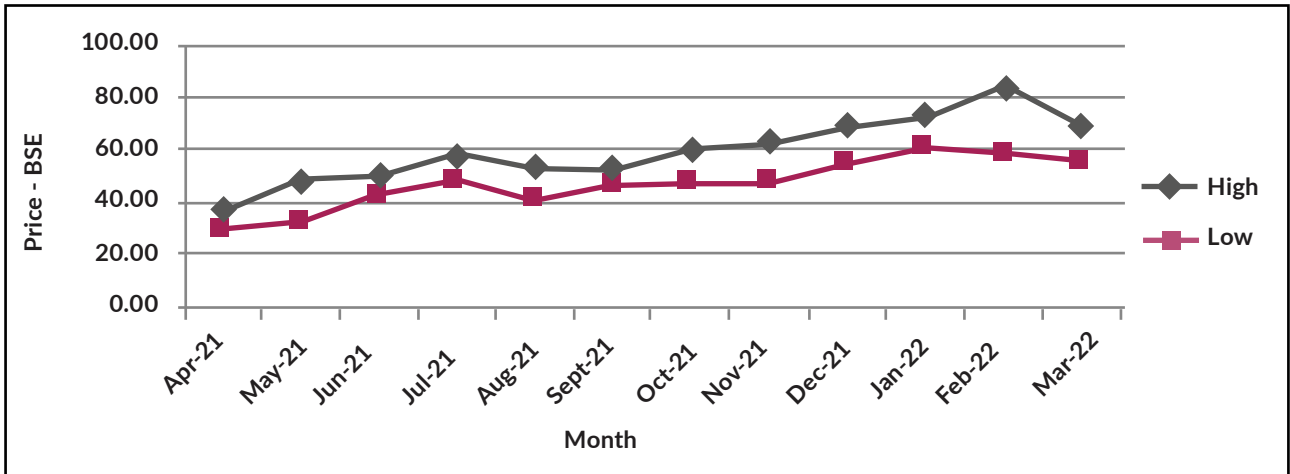
S.No	Name of the shareholder Shareholding based on PAN of the Shareholder.	No. of Shares	% holding
1	Oman India Joint Investment Fund	2,58,42,240	9.32
2	Banyantree Growth Capital, L.L.C.	2,34,69,551	8.47
3.	Investor Education And Protection Fund Authority	9,72,210	0.35
4.	Suvarna Kumari Agrawal	9,00,000	0.32
5.	Acadian Emerging Markets Small Cap Equity Fund LIC	4,83,970	0.17
6.	Viraj Impex Private Limited	4,20,000	0.15
7.	Bishwanath Prasad Agrawal	4,03,000	0.15
8.	Rekhaben Indubhai Vassa	3,16,400	0.11
9.	Emerging Markets Core Equity Portfolio	3,01,715	0.11
10.	Jagdish Amritlal Shah	2,79,940	0.10

XI. Stock market data during 2021-22

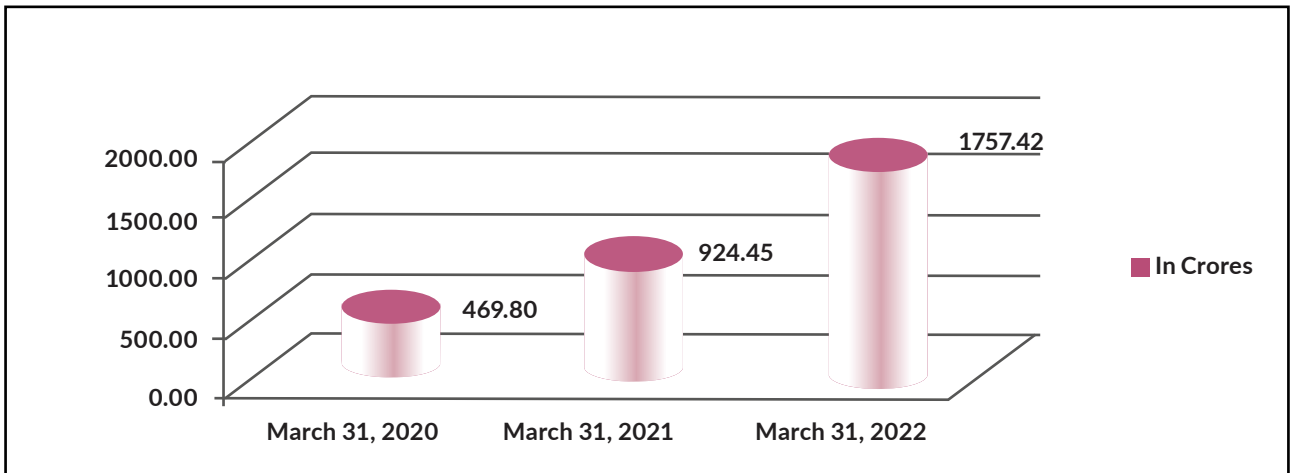
Monthly high and low stock price and number of equity shares traded during financial year 2021-22 on NSE and BSE:

Month	National Stock Exchange			BSE Limited		
	Price		No. of shares traded	Price		No. of shares traded
	High	Low		High	Low	
Apr-2021	37.50	29.85	88,04,260	37.30	29.55	13,40,734
May-2021	48.25	33.80	3,78,43,159	48.25	33.55	52,49,066
Jun-2021	50.40	42.50	3,97,34,579	50.25	42.55	63,28,568
Jul-2021	58.00	47.80	4,82,61,370	57.95	47.85	54,50,067
Aug-2021	53.50	41.25	2,98,22,250	53.45	41.20	35,98,117
Sep-2021	52.50	45.90	1,44,14,466	52.50	45.80	19,65,951
Oct-2021	59.80	47.30	3,55,83,423	59.80	47.00	43,70,758
Nov-2021	61.90	48.00	2,87,87,937	61.90	48.05	53,06,543
Dec-2021	68.80	55.15	5,06,72,948	68.70	55.20	71,89,477
Jan-2022	73.45	61.30	3,42,54,784	73.35	61.45	51,29,289
Feb-2022	83.65	58.10	5,62,53,831	83.60	58.25	97,23,406
Mar-2022	68.45	56.20	2,12,69,818	68.30	56.30	42,45,783

Share price movement during the financial year



Market capitalization:



XII. Payment of dividend

As per the SEBI Listing Regulations, 2015, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Where dividend payments are made through electronic mode, intimations regarding such remittance would be sent separately to the members. Where the dividend cannot be paid through electronic mode, the same will be paid by warrants. For enabling the payment of dividend through electronic mode, members holding shares in physical form are requested to furnish, updated particulars of their bank account, to the share transfer agent of the Company.

XIII. Transfer of unpaid / unclaimed dividend amount and shares to Investor Education and Protection Fund:

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, shares in respect of the dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority except for the cases of shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. The provisions relating to transfer of shares in to the account of IEPF Authority were made effective by the Ministry of Corporate Affairs, vide its Notification dated October 13, 2017 read with the circular dated October 16, 2017.

The Company during the year was not required to transfer any shares to IEPF representing unclaimed dividends for 7 consecutive years or more.

The members, who have a claim on dividends and shares already transferred to IEPF in the year 2018, may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF-5. No claims shall lie against the Company in respect of the dividend/shares so transferred.

The Company has transferred the balance of unclaimed dividend amount of ₹5,98,624/- for Financial Year 2013-2014 to the Central Government's Investor Education and Protection Fund (IEPF) account. We insist the members to claim, as early as possible, the dividend amount remain in the Company's unpaid dividend accounts for the respective years mentioned hereunder. Please note that upon expiry of the statutory period of Seven years as indicated in the last column of the table below, the amount shall be liable for transfer to IEPF, Government of India, thus the entitlement for any such claims would have to be forfeited thereafter.

AGM in which declared	Financial year	Date of declaration	Rate of dividend	Total dividend declared ₹	Unclaimed dividend as on 31.03.2022 ₹	Due for transfer to IEPF
29 th	2014-15	29.09.2015	20%	5,06,00,000	5,22,201	05.11.2022
30 th	2015-16	29.09.2016	25%	6,32,50,000	6,41,124	05.11.2023
31 st	2016-17	26.09.2017	25%	6,93,01,502	6,54,325	02.11.2024
32 nd	2017-18	27.09.2018	25%	6,92,98,737	5,77,105	03.11.2025
33 rd	2018-19	26.09.2019	30%	8,31,58,484	8,09,385.20	02.11.2026
Interim	2019-20	18.02.2020	20%	5,54,38,989	8,64,983.60	26.03.2027
34 th Final	2019-20	24.09.2020	10%	2,77,19,946	29,98,960	30.10.2027
35 th	2020-21	25.09.2021	35%	9,70,18,231.10	12,29,153.45	31.10.2028

XIII. Share transfer system

Transfer of equity shares in electronic form is done through the depositories with no involvement of the Company. Transfer of equity shares in physical form is processed by KFin Technologies Private Limited within 10 to 12 working days from the

date of receipt, if the documents are complete in all respects. The Stakeholders Relationship Committee is authorized to approve transfers.

XVI. Dematerialization of shares and liquidity:

Agency	No of Share Holders		No of shares		% of Total Issued Capital	
	March, 2021	March, 2022	March, 2021	March, 2022	March, 2021	March, 2022
CDSL	48,437	1,06,548	2,53,53,952	2,93,03,455	9.15	10.57
NSDL	28,408	35,388	24,93,31,540	24,54,36,847	89.95	88.54
Physical	2,081	2,048	25,09,454	24,54,644	0.90	0.89
Total	78,926	1,43,984	27,71,94,946	27,71,94,946	100.00	100.00

The Company's shares are compulsorily traded in dematerialised form on NSE and BSE. Equity shares of the Company representing 99.11% of the Company's equity share capital are dematerialised as on March 31, 2022. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE 292BO1021.

In case of enquiries relating to shareholders accounting records, share transfers, transmissions of shares, change of addresses for physical shares, or non-receipt of dividend warrants, loss of share certificates etc. should be addressed to the Company's offices mentioned above or its Registrars.

The Company has not issued GDRs, ADRs, Warrants or Convertible Instruments etc.

XV. CMD and CFO certification

The certificate from Chairman and Managing Director and Chief Financial Officer of the Company regarding compliance as per Clause D of the Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is annexed.

XVI. Compliance certificate

The Certificate on compliance with Corporate Governance by the Secretarial Auditor of the Company as required under Clause E of the Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is annexed.

XVII. Cautionary statement

This Annual Report contains certain statements in the Management Discussion and Analysis describing the Company's view about the industry, objectives and expectations etc. which may be classified as 'forward looking statements' within the meaning of applicable laws and regulations. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. Actual results may differ substantially or materially from those expressed or implied in the statement. The Company's operations may be affected by a number of factors such as supply and demand situation, market competition, input prices and their availability, economic developments, changes in Government regulations, tax laws and other external factors. Investors should bear the above in mind and not to place undue reliance on forward-looking statements.

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including annual reports can be sent by an e-mail to its members. This will also ensure prompt receipt of communication and avoid loss in postal transit. These documents will also be available on the Company's website i.e. www.hbl.in for download by the shareholders.

To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses by writing an e-mail to hblpowercs@karvy.com with subject as E-mail for Green Initiative' mentioning their Folio No./Client ID. Members holding shares in electronic form may register / update their e-mail addresses with the Depository through their concerned Depository Participant(s).

DECLARATION

As provided under Clause D of the Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Board Members and the Senior Management personnel have affirmed to the compliance with Code of Conduct for the year ended March 31, 2022.

For and on behalf of the Board

Place: Hyderabad
Date: August 06, 2022

Dr A J Prasad
Chairman & Managing Director

CEO AND CFO CERTIFICATION

We, A J Prasad, Chairman and Managing Director, Mr. K Sridharan, CFO, responsible for the financial functions 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 the listed entity's affairs and are in compliance with Ind AS existing accounting standards, applicable laws and regulations.
- B. There are to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. we accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they 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 they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Dr A J Prasad
Chairman and Managing Director

Mr. K Sridharan
Chief Financial Officer

Place: Hyderabad
Date: August 06, 2022

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Members of

M/s HBL Power Systems Limited

I have examined all applicable records of HBL Power Systems Limited, for the purpose of certifying compliance of the conditions of Corporate Governance pursuant to Part C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Regulation 34(3) of the Listing Regulations for the financial year ended March 31, 2022. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of the regulations of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. 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. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and representation made by the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, for the financial year ended March 31, 2022.

In my opinion, based on information and according to the explanations given to me, and representation made by the management, I hereby certify that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

I further state that such compliance 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.

Vinay Babu Gade

Company Secretary in Practice
ACS No.: 20592, CP No.: 20707
UDIN: A020592D000755810

Place: Hyderabad

Date: August 06, 2022

INDEPENDENT AUDITOR'S REPORT

To
The Members of
HBL Power Systems Limited,
Hyderabad

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone Ind AS financial statements of HBL Power Systems Limited Hyderabad, ("the Company") which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements including a summary of significant accounting policies and other explanatory information. (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and its profit, 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 Auditor's 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 on the standalone financial statements.

Key audit matters

Key audit matters are those matters that in our professional judgment were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 that there are no key audit matters to communicate in our report.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in management report and chairman's statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management 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, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) 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.

Auditor's 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 auditor's 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 control 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 auditor's report to the related disclosures in the 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 auditor's 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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and regulatory requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 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 purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, 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 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 March 31, 2022, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022 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 B", and
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 39.2 to the standalone 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 respective managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or

provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (b) The respective managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, 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.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose

financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- (v) As stated in Note 39.3 to the standalone financial statements
 - (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (b) 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 amount of dividend proposed is in accordance with section 123 of the Act, as applicable.
- (h) With respect to the other matters to be included in the Auditor's 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.

For Rao & Kumar
Chartered Accountants
FRN 03089S

Anirban Pal
Partner

M.No. 214919

UDIN No: 22214919AJRIOK5267

Place: Hyderabad
Date: 26/05/2022

Annexure - A

(Referred to in Paragraph 1 of 'Report on other legal and regulatory requirements' in our report of even date)

- (i)
- The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
 - The Company has maintained proper records showing full particulars of Intangible assets;
 - The management has carried out physical verification of assets in accordance with a designed programme. In our opinion the periodicity of the physical verification is reasonable. No material discrepancies were noticed on such verification.
 - According to the information and explanations furnished to us and on the basis of our examination of the records of the company and read together with Note no. 4.2 of the Financial Statements, the details of title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) not held in the name of the company, for the reasons stated therein the said note, are as follows:

₹ in lakhs

Fixed asset	No. of cases	Gross block as at March 31, 2022	Net block as at March 31, 2022
Freehold land	8	434.74	434.74
Non-factory buildings	2	106.23	69.15
Total	10	540.97	503.89

- The Company had not revalued any of its Property, Plant and Equipment (including right of use of assets) or intangible assets.
 - To the best of our knowledge and information, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii)
- The Inventories within the factory premises/stores and at branches have been physically verified by the management during the year and also at the year end.

For materials lying with ancillary parties confirmations have been obtained in some cases. In our opinion, the coverage and procedure of verification by the management is appropriate. The discrepancies noticed, upon verification, between physical stocks and book records were less than 10% in the aggregate of each class of inventory and such differences have been properly dealt with in the books of account.

- The company was sanctioned working capital limits in excess of Rs. 5 Crores in aggregate by the Banks / Financial Institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks / Financial Institutions are in agreement with books of account of the company.
- (iii)
- During the year the company had made investments in one subsidiary to the tune of Rs. 169.10 lakhs. Apart from the said investment, the company had not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties.
 - In our opinion, the investments made are not prejudicial to the company's interest.
 - Since the company had not granted any loans and advances in the nature of loans, clauses (c) to (f) of paragraph 3 (iii) of the order are considered inapplicable to the company.
- (iv)
- In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security.
- (v)
- The company has not accepted any deposits or amounts which are deemed to be deposits to which provisions of Sections 73 to 76 and other relevant provisions of the Act and rules made thereunder are applicable.
- (vi)
- 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 accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii)

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing the undisputed statutory dues including Goods and Services Tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess, and other statutory dues with the appropriate authorities
- (b) According to the information and explanations given to us, the following demands have not been deposited on account of disputes.

Name of the statute	Amount involved ₹ in lakhs	Forum where the dispute is pending as at March 31, 2022
Finance Act (Service Tax)	132.48	CESTAT
Finance Act (Service Tax)	62.42	Commissioner
GST Act	1.57	Addl. Commissioner Appeals
GST Act	15.41	Commissioner
Central Excise Act	2472.78	CESTAT
Central Excise Act	112.45	Commissioner Appeals
Customs Act	488.70	Tribunal, Chennai
Sales Tax	110.61	ADC, Hyderabad
Sales Tax	187.43	Appellate Tribunal
Sales Tax	10.61	Commissioner
Sales Tax	117.02	Commissioner Appeals
Sales Tax	8.61	Deputy Commissioner
Sales Tax	239.70	High Court

(viii) There were no transactions that were not recorded 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) In our opinion and according to the information and explanations given to us, the company has not

defaulted in repayment of loans or other borrowings or in the payment of interest to any lender;

- (b) From the information furnished to us, the company is not declared willful defaulter by any bank or financial institution or other lender;
 - (c) Based on review of the records of the term loan drawn and utilization thereof on an overall basis, the term loans have been applied for the purposes for which the loans were raised;
 - (d) From a review of the Cash flows furnished by the company, we are of the opinion that the company had not utilized any funds raised on short term basis for long term purposes;
 - (e) The company had not taken any fund from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
 - (f) During the year the company had not raised any loans on the pledge of securities held in its subsidiaries, joint ventures or Associate Companies.
- (x)
- (a) The Company had not raised any money by way of initial public offer or further public offer (including debt instruments).
 - (b) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible debentures during the year.
- (xi)
- (a) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
 - (b) The Auditors have not filed any report with the Central Government under sub-section (12) of section 143 of the Companies Act, in form ADT - 4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014.

- (c) From a review of the Secretarial Records, we observe that the company had not received any whistle-blower complaints during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly Paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)
- (a) The company has appointed an external agency to carry out internal audit and their reports were made available to us. In as much, in our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into Non-Cash transactions with Directors or persons connected with them.
- (xvi)
- (a) According to the information and explanations given to us, the company is not required to be registered under section 45-IA.
- (b) Upon a review of the records of the company, we are of the opinion that the company had not conducted any Non-Banking Financial or Housing Finance activity.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The does not have more than one CIC as part of the Group.
- (xvii) The company has not incurred any cash loss either in the financial year or in the immediately preceding financial year.
- (xviii) During the year there is no resignation of statutory auditors.
- (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 to our knowledge of the Board of Directors and Management plans, we are of the opinion that no material uncertainty exists as on the date of audit report that company is 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.
- (xx)
- (a) The company does not have any unspent amount in respect of other than ongoing projects.
- (b) During the financial year 2020-21 the amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to an ongoing project has been transferred to a special account in compliance with the provision of sub-section (6) of section 135.
- (xxi) Upon a review of the reports of the respective auditors of companies under the group, we observe that there are no qualifications or adverse remarks in their Companies (Auditor's Report) Order reports.

For **Rao & Kumar**
Chartered Accountants
FRN 03089S

Anirban Pal

Partner

M.No. 214919

Place: Hyderabad
Date: 26/05/2022

Annexure – B

(Referred to in Paragraph 2(f) of 'Report on other legal and regulatory requirements' in our report of even date)

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 HBL Power Systems Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility

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

Opinion

In our opinion, the unit has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, 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.

Place: Hyderabad
Date: 26/05/2022

For **Rao & Kumar**
Chartered Accountants
FRN 03089S

Anirban Pal
Partner
M.No. 214919

Standalone Balance Sheet

as at March 31, 2022

(₹ in Lakhs)

Particulars	Note	As at March 31, 2022		As at March 31, 2021	
ASSETS					
1 Non current assets					
(a) Property, Plant and Equipment	4	24,287.06		25,123.75	
(b) Capital works in progress	6	4,196.55		1,426.81	
(c) Right of use assets		884.68		837.56	
(d) Intangible assets	7	1,094.40		1,739.88	
(e) Intangible assets under development	8	3,866.23	34,328.92	2,859.31	31,987.30
(f) Financial assets					
(i) Investments	9	511.23		342.14	
(ii) Other financial assets	10	3,038.89		4,632.06	
(g) Other non current assets	11	23.26	3,573.38	84.19	5,058.40
2 Current assets					
(a) Inventories	12	30,153.55		28,354.86	
(b) Financial assets					
(i) Investments	9	2.58		2.59	
(ii) Trade receivables	13	30,765.85		27,379.96	
(iii) Cash and cash equivalents	14	4,779.73		2,547.62	
(iv) Other bank balances	14	5,498.69		4,189.21	
(v) Others	14	1,099.05		741.69	
(c) Current tax assets (Net)	15	-		52.74	
(d) Other current assets	16	3,116.13		2,137.88	
(e) Assets held for sale	5	115.20	75,530.77	1,862.42	67,268.99
Total			1,13,433.07		1,04,314.69
EQUITY AND LIABILITIES					
Equity					
(a) Equity share capital	17	2,771.95		2,771.95	
(b) Other equity	18	84,428.50	87,200.45	76,543.24	79,315.19
Liabilities					
1 Non current liabilities					
(a) Financial liabilities					
(i) Borrowings	19	2,765.90		1,011.55	
(ii) Lease liability	19	929.03		818.01	
(b) Provisions	20	199.41		199.50	
(c) Deferred tax liabilities (Net)	21	1,070.56		1,176.60	
(d) Other non current liabilities			4,964.90		3,205.66
2 Current liabilities					
(a) Financial liabilities					
(i) Borrowings	22	2,206.54		4,737.49	
(ii) Lease liability	23	161.75		176.89	
(iii) Trade payables:					
Total outstanding dues of MESE	24	908.18		1,021.15	
Total outstanding dues to creditors other than MESE	24	7,677.58		5,652.01	
(b) Other financial liabilities	25	4,899.88		5,194.12	
(c) Other current liabilities	26	2,582.82		3,146.21	
(d) Provisions	20	2,591.94		1,865.97	
(e) Current tax liabilities (Net)	27	239.04	21,267.72	-	21,793.84
Total			1,13,433.07		1,04,314.69

The accompanying notes 1 to 46 form an integral part of this standalone financial statements

As per our report of even date annexed

for **Rao & Kumar**

Chartered Accountants

FRN No. 03089 S

Anirban Pal

Partner

M.No : 214919

UDIN : 22214919AJRIOK5267

Place : Hyderabad

Date : May 26, 2022

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

K Sridharan

Chief Financial Officer

On behalf of the board

Kavita Prasad

Director

DIN : 00319292

M V S S Kumar

Company Secretary

Place : Hyderabad

Date : May 26, 2022

Standalone Statement of Profit & Loss

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Note	As at March 31, 2022		As at March 31, 2021	
Revenue					
I Revenue from operations	28		1,22,149.53		90,894.59
II Other income	29		1,427.63		948.47
III Total income (I + II)			1,23,577.16		91,843.07
IV Expenses					
Cost of material consumed	30		75,534.79		54,899.93
Purchases of stock in trade			209.93		281.09
Changes in inventories of finished goods, stock -in - trade and work - in - progress	31		(829.37)		1,188.60
Employee benefits expense	32		9,496.85		7,864.88
Finance costs	33		727.27		1,448.59
Depreciation and amortization expense	34		3,467.20		3,842.82
Manufacturing expenses	35		14,054.77		11,532.21
Administrative expenses	36		4,209.85		3,712.18
Selling expenses	36		5,963.12		4,588.67
Total expenses (IV)			1,12,834.40		89,358.96
V Profit before exceptional items and tax (III - IV)			10,742.76		2,484.10
VI Exceptional items - income/(expense)	37		1,073.01		(538.95)
VII Profit before tax (V - VI)			11,815.77		1,945.15
VIII Tax expense					
(1) Current tax		3,000.00		675.00	
(2) Deferred tax (asset)/liability		(77.68)		(32.44)	
(3) Income tax relating to previous years		(46.31)	2,876.01	(155.37)	487.19
IX Profit for the period (VII - VIII)			8,939.76		1,457.97
X Other comprehensive income (Net)					
Items that will not be reclassified to profit or loss -					
Remeasurement of defined benefit plans		(112.67)		(195.09)	
Income tax		28.36	(84.32)	49.10	(145.99)
XI Total comprehensive income (IX - X)			8,855.44		1,311.98
XII Earnings per equity share	38				
(1) Basic (of ₹1/-each)			3.19		0.47
(2) Diluted (of ₹1/-each)			3.19		0.47

The accompanying notes 1 to 46 form an integral part of this standalone financial statements

As per our report of even date annexed

for **Rao & Kumar**

Chartered Accountants

FRN No. 03089 S

Anirban Pal

Partner

M.No : 214919

UDIN : 22214919AJRIOK5267

Place : Hyderabad

Date : May 26, 2022

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

K Sridharan

Chief Financial Officer

On behalf of the board

Kavita Prasad

Director

DIN : 00319292

M V S S Kumar

Company Secretary

Place : Hyderabad

Date : May 26, 2022

Standalone Cash Flow Statement for the year ended March 31, 2022

(₹ in Lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
A Cash flow from operating activities		
Net profit before tax and exceptional items	10,742.76	2,484.10
Exceptional items - income / (expenditure) *	1,073.01	(538.95)
Other comprehensive income (net)	(112.67)	(195.09)
Total comprehensive income before tax	11,703.10	1,750.06
Adjustments for:		
Depreciation	2,675.52	2,942.40
Amortisation	645.48	682.77
Right of use assts	146.20	217.65
Diminution in value of investments	-	(1.57)
Profit/Loss on sale of assets	(1,961.99)	(133.18)
Advances & deposits written off	69.51	15.51
Interest income	(523.45)	(440.02)
Interest expense	226.82	695.28
Bad debts written off (Credit impairment)	291.25	555.57
Provision for doubtful debts (Lifetime expected credit loss)	453.11	356.56
Other provisions	725.89	132.86
	2,748.33	5,023.83
Operating profit before working capital changes	14,451.43	6,773.88
(Increase)/decrease in trade receivables	(4,130.24)	3,425.48
(Increase)/decrease in inventories	(1,798.68)	1,906.26
(Increase) / decrease in loans & advances **	(1,121.42)	(2,614.93)
Increase/(decrease) in trade payables	1,912.59	(941.10)
Increase/(decrease) in current liabilities	(554.25)	2,865.22
	(5,692.00)	4,640.93
Cash generated from operations	8,759.42	11,414.81
Income tax paid net of refunds	(2,708.22)	(248.25)
Income tax adjustment relating to previous years	46.31	155.37
Net cash flow from operating activities (A)	6,097.51	11,321.93
B Cash flow from investing activities		
Purchase of fixed assets	(6,716.10)	(3,871.58)
Sale proceeds of fixed assets	4,677.44	1,006.05
Purchase of Investments	(169.10)	-
Interest received	523.45	440.02
Net Cash flow from investing activities (B)	(1,684.31)	(2,425.51)

Standalone Cash Flow Statement (Contd.) for the year ended March 31, 2022

(₹ in Lakhs)

	Year ended March 31, 2022		Year ended March 31, 2021
C Cash flow from financing activities			
Long-term borrowings	(2,037.69)		(82.22)
Payment of lease liability	207.50		205.62
(Increase)/decrease in working capital borrowings	2,403.28		9,084.90
(Increase)/decrease in unsecured loans	411.00		150.00
Dividend payment	970.18		277.19
Interest paid	226.82		695.28
Net cash flow used in financing activities (C)		2,181.10	10,330.77
D Net increase in cash and cash equivalents (A+B-C)		2,232.11	(1,434.34)
Cash and cash equivalents at beginning of the period		2,547.62	3,981.97
Cash and cash equivalents at end of the period		4,779.73	2,547.62
Cash and cash equivalents			
Cash on hand		5.06	3.60
Balances with banks in current account		4,774.67	2,544.02
Total		4,779.73	2,547.62

Notes to the cash flow statement for the year ended 31-03-2022

- 1 This statement is prepared as per Ind AS - 7 (indirect method).
- 2 * Details of the exceptional Items are given in Note 37.
- 3 ** Including bank balances other than cash and cash equivalents
- 4 Previous year's figures were re-grouped wherever necessary.

As per our annexed report of even date annexed

for **Rao & Kumar**

Chartered Accountants

FRN No. 03089 S

Anirban Pal

Partner

M.No : 214919

UDIN : 22214919AJRIOK5267

Place : Hyderabad

Date : May 26, 2022

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

K Sridharan

Chief Financial Officer

On behalf of the board

Kavita Prasad

Director

DIN : 00319292

M V S S Kumar

Company Secretary

Place : Hyderabad

Date : May 26, 2022

Standalone Cash Flow Statement for the year ended March 31, 2022

(₹ in Lakhs)

a) Equity and Share capital

	Current reporting period March 31, 2022	Previous reporting period March 31, 2021
Balance at the beginning of the year	2,771.95	2,771.95
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	2,771.95	2,771.95
Changes in equity share capital during the current year	-	-
Balance at the end of the year	2,771.95	2,771.95

b) Other equity

Particulars	Capital reserve	Securities premium	Other reserves		General reserve	Retained earnings	TOTAL
			Capital redemption reserve	Investment subsidy			
Balance at the beginning of the current reporting period April 1, 2021	1.02	23,010.66	2.70	55.77	32,272.35	21,200.73	76,543.24
Total comprehensive income						8,855.44	8,855.44
Dividend						(970.18)	(970.18)
Balance at the end of the current reporting period March 31, 2022	1.02	23,010.66	2.70	55.77	32,272.35	29,086.00	84,428.50
Balance at the beginning of the current reporting period April 1, 2020	1.02	23,010.66	2.70	55.77	32,272.35	20,165.95	75,508.45
Total comprehensive income						1,311.98	1,311.98
Dividend (including tax)						(277.19)	(277.19)
Balance at the end of the current reporting period March 31, 2021	1.02	23,010.66	2.70	55.77	32,272.35	21,200.73	76,543.24

As per our annexed report of even date annexed

for **Rao & Kumar**

Chartered Accountants

FRN No. 03089 S

Anirban Pal

Partner

M.No : 214919

UDIN : 22214919AJRIOK5267

Place : Hyderabad

Date : May 26, 2022

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

K Sridharan

Chief Financial Officer

On behalf of the board

Kavita Prasad

Director

DIN : 00319292

M V S S Kumar

Company Secretary

Place : Hyderabad

Date : May 26, 2022

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

1. Company overview

HBL Power Systems Limited (“HBL” or “The Company”) is a public limited company incorporated and domiciled in India and has its registered office at Hyderabad, Telangana State, India. The Company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The financial statements were authorized for issuance by the Company’s Audit Committee and Board of Directors on May 26, 2022.

The Principal activities of the Company comprise of manufacturing of different types of Batteries including Lead Acid, NiCad, Silver Zinc, Lithium and Railway and Defence Electronics, Solar Photovoltaic Modules and other products. The Company is also engaged in service activities related to the above products.

2. Basis of preparation and measurement

2.1 Statement of compliance

The financial statements as at and for the year ended March 31, 2022 have been prepared in accordance with applicable Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

2.2 Accounting convention and basis of measurement

The financial statements have been prepared on the historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i) Certain financial assets and liabilities (refer accounting policy on financial instruments);
- ii) Defined benefit and other long-term employee benefits
- iii) Provision for warranties
- iv) Lease liability on right of use assets

2.3 Functional and presentation currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information

presented in Indian rupees has been rounded off to the nearest lakh of rupees except share and per share data.

2.4 Use of judgments, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses and the disclosure of Contingent liabilities and Contingent assets. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any affected future periods.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions in respect of the following areas, that have most significant effect to the carrying amounts within the next financial year are included in the relevant notes.

- i) Useful lives of Property, Plant, Equipment and intangibles.
- ii) Measurement of defined benefit obligations
- iii) Measurement and likelihood of occurrence of provisions and contingencies.
- iv) Recognition of deferred tax assets/liabilities.
- v) Impairment of intangibles
- vi) Expenditure relating to Research and Development activities.
- vii) Assessing the lease term (including anticipated renewals), non-cancellable period of a lease and the applicable discount rate in respect of assets taken on lease.

2.5 Operating cycle:

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

3. Summary of significant accounting policies

3.1 Property, Plant and Equipment (PPE)

- i) Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment losses.
- ii) The cost of Property, Plant and Equipment includes those incurred directly for the construction or acquisition of the asset, and directly attributable to bringing it to the location and condition necessary for it to be capable of operating in the manner intended by the management and includes the present value of expected cost for dismantling / restoration wherever applicable.
- iii) The cost of major spares is recognized in the carrying amount of the item of Property, Plant and Equipment, in accordance with the recognition criteria set out in the Standard. The carrying amount of the replaced part is derecognized at the time of actual replacement. The costs of the day-to-day servicing of the item are recognized in statement of profit or loss as incurred.
- iv) Depreciation on tangible assets including those on leasehold premises is provided for under straight line method over the useful life of assets specified in Part C of Schedule II to the Companies Act, 2013 and in the manner specified therein, except in respect of dies and moulds which are depreciated over their technically estimated useful lives of 5 years on straight line method. Assets costing less than ₹5,000/- are fully depreciated in the year of purchase.
- v) Depreciation methods, useful lives and residual values are reviewed at each reporting date and accounted for as change in accounting estimate.
- vi) Each component / part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately only when it has a different useful life. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in statement of profit or loss when the item is derecognized.

vii) Expenditure attributable /relating to PPE under construction / erection is accounted for as below:

- A) To the extent directly identifiable to any specific plant / unit, Trial run expenditure net of revenue is included in the cost of Property, Plant and Equipment.
- B) To the extent not directly identifiable to any specific Plant / Unit, is kept under 'Expenditure During Construction' for allocation to Property, Plant and Equipment and is grouped under 'Capital Work-in- Progress'.

3.2 Intangible assets

- i) Intangible asset is recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.
- ii) New product development expenditure, software licences, technical knowhow fee, infrastructure and logistic facilities, etc. are recognised as intangible assets upon completion of development and commencement of commercial production.
- iii) Intangible assets are amortized on straight line method over their technically estimated useful lives.
- iv) Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates.

3.3 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i) Assets taken under lease

- a) The Company recognises Right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset is measured in accordance with the measurement criteria as per Ind AS 116. The right-of-use asset is depreciated using the straight-line method

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

- b) The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability in accordance with the requirements under Ind AS 116.
- c) The Company has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense.

ii) Assets given on lease

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income. In case of a finance lease, finance income is recognised over the lease term based on a pattern

reflecting a constant periodic rate of return on the lessor's net investment in the lease.

3.4 Investment in subsidiaries, associates and joint ventures

- i) Investments in subsidiaries, associate and joint ventures are measured at cost. Impairment / Diminution in value, other than temporary, is provided for.
- ii) Investments classified as 'Current Investments' are carried at cost and diminution / impairment with reference to market value is recognized.

3.5 Government grants

Government grants are recognised in the statement of profit or loss on a systematic basis over the periods in which the related costs for which the grants are intended to compensate are recognised as expenses.

3.6 Inventories are valued as under:

i)	Raw materials, components, consumables and stores & spares.	At lower of weighted average cost and net realisable value.
ii)	Work in progress and Finished goods.	At lower of net realisable value and weighted average cost of materials plus cost of conversion and other costs incurred in bringing them to the present location and condition.
iii)	Long term contract work in progress (where the income it is not eligible for recognition as per Income recognition policy stated elsewhere).	At direct and attributable costs incurred in relation to such contracts.
iv)	Stock In trade	At lower of cost and net realisable value
v)	Consumable tools	At cost less amount charged off (which is at 1/3 rd of value each year).
vi)	Services work in progress	Lower of cost and net realisable value

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

3.7 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria are met:

- (i) decision has been made to sell.
- (ii) the assets are available for immediate sale in their present condition.
- (iii) the assets are being actively marketed and
- (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are neither depreciated nor amortised.

3.8 Revenue recognition

- i) Revenue from contracts with customers that meet the recognition criteria under paragraph 9 of Ind AS 115 are recognised when (or as) a performance obligation is satisfied by transferring a promised good or service to a customer, for the amount of the transaction price that is allocated to that performance obligation.
- ii) Satisfaction of a performance obligation and recognition of revenue over time is followed when, transfer of control of a good or service are made over time and, if one of the following criteria is met:
 - (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
 - (b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
 - (c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. Performance obligations that are not satisfied over time are treated as performance obligations

satisfied at a point in time which in case of goods are upon their despatch/delivery to domestic customers as per terms of sale and on the basis of proof of export/delivery for export customers as per terms of sale and in case of services are upon completion of service.

- iii) Claims against outside agencies are accounted for on certainty of realization.
- iv) Interest income is recognized on an accrual basis using the effective interest rate (EIR) method. Dividends, are recognized at the time the right to receive is established.
- v) Export Incentives under various schemes are recognized as income on certainty of realization.

3.9 Employee benefits

i) Short term benefits:

All employee benefits falling due within twelve months of rendering the service are classified as short term employee benefits. The cost of the benefits like salaries, wages, medical, leave travel assistance, short term compensated absences, bonus, exgratia, etc. is recognised as an expense in the period in which the employee renders the related service.

ii) Post-employment benefits:

A) Defined contribution plans:

The contribution paid/payable under Provident Fund Scheme, ESI Scheme and Employee Pension Scheme is recognised as expenditure in the period in which the employee renders the related service.

B) Defined benefit plans:

The Company's obligation towards Gratuity is a defined benefit plan. The present value of the estimated future cash flows of the obligation under such plan is determined based on actuarial valuation using the Projected Unit Credit method. Any difference between the interest income on plan assets and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experienced adjustments within the plan are recognized immediately in other comprehensive income and subsequently not reclassified to the Statement of Profit and Loss.

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

All defined benefit plan obligations are determined based on valuation as at the end of the reporting period, made by independent actuary using the projected unit credit method. The classification of the Company's net obligation into current and non-current is as per the actuarial valuation report.

iii) Long term employee benefits:

The obligation for long term employee benefits such as long term compensated absences, is determined and recognised in the manner similar to that stated in the defined benefit plan.

3.10 Foreign currency transactions

- i) Transactions relating to non-monetary items and Purchase and Sale of goods/services denominated in foreign currency are recorded at the prevailing exchange rate or a rate that approximates to the actual rate on the date of transaction.
- ii) Assets & Liabilities in the nature of monetary items denominated in foreign currencies are translated and restated at exchange rates prevailing at the end of the reporting period.
- iii) Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognized as expense or income in the period in which they occur.
- iv) Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted for at fair value through statement of profit or loss

3.11 Current tax and deferred tax

i) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

ii) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profits differ from the profit 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 not taxable or deductible.

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted upto the end of the reporting period.

iii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences 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 all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iv) Current and deferred tax for the year

Current and deferred tax are recognised in 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.

3.12 Borrowing costs

- i) Borrowing costs incurred for obtaining assets which take substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

by applying weighted average cost of borrowings to the expenditure on such assets.

- ii) Other borrowing costs are treated as expense for the year.
- iii) Significant Transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest rate (EIR) method.

3.13 Financial instruments (Financial assets and Financial liabilities):

- i) All financial instruments are recognized initially at fair value. The classification of financial Instruments depends on the objective of the business model for which it is held and the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. For the purpose of subsequent measurement, financial instruments of the Company are classified into (a) Non- derivative financial instruments and (b) derivative financial instruments.

ii) Non - derivative financial instruments

- A) Security Deposits, cash and cash equivalents, employee and other advances, trade receivables and eligible current and non-current financial assets are classified as financial assets under this clause.
- B) Loans and borrowings, trade and other payables including deposits collected from various parties and eligible current and non-current financial liabilities are classified as financial liabilities under this clause.
- C) Financial instruments are subsequently carried at amortized cost wherever applicable using Effective Interest Rate (EIR) method less impairment loss.
- D) Transaction costs that are attributable to the financial instruments recognized at amortized cost are included in the fair value of such instruments.

iii) Derivative financial instruments

- A) Derivative Financial Assets and Liabilities are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date

- B) Changes in the fair value of any derivative Asset or Liability are recognized immediately in the Income Statement and are included in other income or expense.
- C) Cash Flow Hedge: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction.

(iv) Impairment

i) Financial assets

- A) The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
 - ◇ Financial assets that are debt instruments, and are measured at amortized cost wherever applicable for e.g., loans, debt securities, deposits, and bank balance.
 - ◇ Trade receivables
- B) The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

ii) Non - financial assets

The company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

impaired. If any such indication exists, the Company estimates the amount of impairment loss.

3.14 Provisions

- i) Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made .
- ii) The amount recognized 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.
- iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- iv) Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company

from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

3.15 Earnings Per Share (EPS)

- i) Basic EPS is computed by dividing the profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year / period.
- ii) Diluted EPS is computed by dividing the profit after tax attributable to equity shareholders, as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic EPS and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

Note : 4 Property, Plant and Equipment as on March 31, 2022

(₹ in Lakhs)

Description	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	As on April 1, 2021	As on March 31, 2022	As on April 1, 2021	For the period	As on March 31, 2022	As on March 31, 2021
Land - freehold	3,630.83	3,403.15	-	-	3,403.15	3,630.83
Buildings - factory	16,284.62	14,324.92	6,719.13	446.08	6,435.77	7,889.14
Buildings - others	476.39	472.30	110.06	8.33	104.54	366.33
Plant and equipment	40,518.77	37,902.91	27,885.81	1,961.23	26,560.17	11,342.74
Furniture & fixtures	517.74	568.66	362.91	29.82	350.02	154.83
Vehicles	893.54	1,093.40	611.92	63.56	635.88	281.62
Office equipment	1,712.31	2,222.26	1,362.52	166.50	1,503.27	349.63
Office equipment under finance lease	86.48	86.48	82.16	-	82.16	4.49
Technical library	1.89	1.89	1.89	-	1.89	-
Total	64,122.57	60,075.96	37,136.40	2,675.52	35,673.70	26,986.17
Less: Transferred to assets held for sale	115.20	115.20	-	-	-	1,862.42
Net Total	64,007.37	59,960.76	37,136.40	2,675.52	35,673.70	25,123.75
Carrying value as at March 31, 2021	67,656.53	64,122.57	38,825.45	2,942.40	37,136.40	25,123.75

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

4.1 In respect of dies & moulds included in plant & machinery group, the management had, in the past, technically estimated their useful lives at 5 years and the company had continued to charge such higher depreciation (as compared to Schedule II) on the same basis.

4.2 Disclosure in respect of title deeds of Immovable properties:

1 Freehold land:

- a) The gross block of freehold land comprises of actual acquisition cost of ₹3,244.94 lakhs and land development charges capitalized of ₹158.20 lakhs.
- b) Out of the value of ₹3,244.94 lakhs, the details with regard to the value of land, Companies in whose name the title deeds are held and the reasons therefor are as follows :

Title deeds held in the Name of	Gross carrying value	Relation with the holder	Property held since	Remarks / reasons
1 HBL Power Systems Limited (A)	2,810.20	-	-	Value of land , the title deeds in respect of which are in the name of the Company viz., HBL Power Systems Limited
1 Hyderabad Batteries Private Limited	10.31	All these companies are part and parcel of HBL Power Systems Limited due to name change/ merger.	From the date of change of name and merger.	Name Changed to Hyderabad Batteries Limited on 11-11-1987
2 Hyderabad Batteries Limited	24.39			Name Changed to HBL Limited on 09-08-1995
3 Nicad Systems Private Limited	1.07			Name changed to Pilazetta Batteries Limited on 13.02.1990
4 Pilazetta Batteries Limited	2.59			Merged with HBL Limited on 27.11.1995
5 Nagadhara Engineering Private Limited	1.62			Merged with HBL Limited on 27.11.1995
6 HBL Limited	45.69			Later merged with Sab Nife Power Systems Limited vide order dated 08.03.2000
7 Sab Nife Power Systems Limited	61.34			Name changed to HBL NIFE Power Systems Limited upon merger with HBL Limited 26.04.2000
8 HBL NIFE Power Systems Limited	287.73			Name changed to HBL Power Systems Limited with effect from 12-10-2006
Sub total (B)	434.74	-	-	Value of land, the title deeds in respect of which are in the names of other Companies which are part and parcel of HBL Power Systems Limited by virtue of approved schemes of merger and name changes.
Grand total (A + B)	3,244.94			

2 Non - factory buildings:

- a) The gross block of non-factory buildings of ₹472.30 lakhs, comprise of actual cost of building constructed on factory lands of value of ₹389.29 lakhs, and cost of acquisition of buildings, (situated on other than factory lands) purchased from the third parties, is ₹83.01 lakhs.
- b) The details with regard to the value of of buildings, Companies in whose name the title deeds are held and the reasons therefor are as follows :

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

Name of the Company	Cost of buildings	Relation with the holder	Property held since	Remarks / reasons
A Buildings constructed on factory lands:				
1 HBL Power Systems Limited	366.07	All these companies are part and parcel of HBL Power Systems Limited due to name change/ merger.	From the date of change of name and merger.	Value of buildings constructed on factory land by the Company itself viz., HBL Power Systems Limited
2 HBL NIFE Power Systems Limited	23.22			Name changed to HBL Power Systems Limited with effect from 12-10-2006
Sub - total (A)	389.29			
B Buildings acquired from others:				
1 HBL NIFE Power Systems Limited	15.86	All these companies are part and parcel of HBL Power Systems Limited due to name change/ merger.	From the date of change of name and merger.	Name changed to HBL Power Systems Limited with effect from 12-10-2006
2 Sab Nife Power Systems Limited	67.15			Name changed to HBL NIFE Power Systems Limited upon merger with HBL Limited 26.04.2000
Sub - total (B)	83.01			Value of buildings, the title deeds in respect of which are in the names of other Companies which are part and parcel of HBL Power Systems Limited by virtue of approved schemes of merger and name changes.
Grand total (A + B)	472.30			

Note : 5 Assets held for sale

Refer note 3.7 for accounting policy on Assets held for sale

	March 31, 2022	March 31, 2021
Particulars of assets held for sale		
Land freehold	115.20	376.65
Buildings	-	1,485.78
Total	115.20	1,862.42

Note : 6 Capital work in progress

Refer note 3.7 for accounting policy on Assets held for sale

	March 31, 2022	March 31, 2021
Machinery under erection	4,021.24	1,365.63
Civil works in progress	175.31	61.18
Total	4,196.55	1,426.81

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

Amount in capital work in progress for a period of

Particulars	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
As on 31.03.2022					
Project in progress	3,057.88	1,064.24	74.43	-	4,196.55
Projects temporarily suspended	-	-	-	-	-
Total	3,057.88	1,064.24	74.43	-	4,196.55
As on 31.03.2021					
Project in progress	1,355.32	42.12	-	29.37	1,426.81
Projects temporarily suspended	-	-	-	-	-
Total	1,355.32	42.12	-	29.37	1,426.81

Note : 7 Intangible assets as on March 31, 2022

Description	Gross carrying amount			Accumulated amortization		Net carrying amount		
	As on April 1, 2021	Additions	As on March 31, 2022	As on April 1, 2021	For the period	As on March 31, 2022	As on March 31, 2022	As on March 31, 2021
New product development expenditure (internally generated)	5,577.68	-	5,577.68	4,046.93	459.60	4,506.53	1,071.15	1,530.75
Power facility	96.16	-	96.16	96.16	-	96.16	-	-
Technical knowhow fee	1,019.73	-	1,019.73	965.48	31.00	996.48	23.25	54.25
Software development	991.49	-	991.49	836.61	154.88	991.49	-	154.88
Total	7,685.06	-	7,685.06	5,945.18	645.48	6,590.66	1,094.40	1,739.88
Carrying value as at March 31, 2021	7,685.06	-	7,685.06	5,262.41	682.77	5,945.18	1,739.88	

Note : 8 Intangible assets under development

Description	As on March 31, 2022	As on March 31, 2021
1) New product development expenditure (Internally generated)		
a) Battery products	920.51	363.47
b) Electronic products	2,302.39	1,852.50
2) Technical knowhow fee paid	643.33	643.33
Total	3,866.23	2,859.31

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

Amount in intangible assets under development for a period of

Particulars	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
As on 31.03.2022					
Project in progress	1,259.96	699.99	391.97	1,514.30	3,866.23
Projects temporarily suspended	-	-	-	-	-
Total	1,259.96	699.99	391.97	1,514.30	3,866.23
As on 31.03.2021					
Project in progress	945.72	391.97	878.29	643.33	2,859.31
Projects temporarily suspended	-	-	-	-	-
Total	945.72	391.97	878.29	643.33	2,859.31

Note : 9 Investments

					March 31, 2022	March 31, 2021	
Non - current - un-quoted							
i) In equity instruments: (fully paid-up)							
	Number	Face value	Name of the entity				
	Current year	Previous year					
a) Subsidiary companies							
	250	250	Euro 100	HBL Germany GMBH	14.92	14.92	
	9999500	9999500	₹10	SCIL Infracon Private Limited	1,248.37	1,248.37	
	600	600	USD 1000	HBL America Inc.	323.02	323.02	
	1691000	-	₹10	Torquedrive Technologies Private Limited	169.10	-	
b) Associate company							
	41000	41000	₹10	Naval Systems & Technologies Private Limited	4.10	4.10	
c) Joint venture entity							
	1100000	1100000	SR 10	Gulf Batteries Company Limited* (Kingdom of Saudi Arabia)	1,424.51	1,424.51	
Non - current - quoted							
d) Other companies (Listed but not quoted)							
	200	200	₹10	Indian Lead Limited	0.10	0.10	
					Total	3,184.12	3,015.02
Less : Aggregate provision for diminution in value of investments						2,672.88	2,672.88
Carrying value of non-current investments						511.23	342.14

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

Current investments- quoted :

In equity instruments of other companies: (Fully paid-up)

				March 31, 2022	March 31, 2021
Number	Face value	Name of the entity			
Current year	Previous year				
690	690	₹1	JSW Steel Limited	2.58	2.58

In liquid mutual funds: (Fully paid-up)

1	1	₹10	Reliance Mutual Fund Shares Liquid BEES	-	0.01
Total				2.58	2.59
Less : Aggregate provision for diminution in value of investments				-	-
Carrying value of current investments				2.58	2.59

9.1

	March 31, 2022		March 31, 2021	
	Non - current	Current	Non - current	Current
Aggregate amount of quoted investments	0.10	2.58	0.10	2.59
Aggregate market value of quoted investments	Not Available	5.05	Not Available	3.23
Aggregate amount of unquoted investments	3,184.02	-	3,014.92	-
Aggregate amount of Impairment / diminution in value of investments	2,672.88	-	2,672.88	-

9.2 In pursuance of MOU entered by the company, M/s.HBL Miltrade Pte Limited, Singapore, allotted one share (Face value – One Singapore Dollar) to the company. The company is yet to pay for the same. Pending remittance, Investment is not disclosed in the above investments.

9.3

Investee Company	Principal place of business	Country of incorporation	Proportion of ownership interest & voting Right
HBL Germany GMBH	Zwickau	Germany	100%
SCIL Infracon Private Limited	Hyderabad	India	100%
HBL America Inc.	Connecticut	U.S.A.	100%
TorqueDrive Technologies Private Limited	Hyderabad	India	100%
Naval Systems & Technologies Private Limited	Hyderabad	India	41%
Gulf Batteries Company Limited	Dammam	Kingdom of Saudi Arabia	40%

9.4 *The investment in Gulf Batteries Company Limited was fully provided for over a period of three previous years. During the year, the company realised an amount of Rs.5.05 lakhs as full and final settlement against transfer of its stake in the JV based on the valuation report. Pending statutory approvals the realised amount is shown under other current liabilities.

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

Note : 10 Other financial assets

	March 31, 2022	March 31, 2021
Non-Current		
Bank deposits (maturity beyond 12 months)		
Fixed deposits	404.19	40.50
Margin money deposits	1,790.80	3,153.36
Security deposits with Government and others	841.64	1,435.95
Advances to employees	2.27	2.27
Total	3,038.89	4,632.06

Note : 11 Other non- current assets

	March 31, 2022	March 31, 2021
Capital advances	23.26	84.19
Total	23.26	84.19

Note : 12 Inventories *

	March 31, 2022	March 31, 2021
Raw materials	15,331.09	14,701.88
Stores, spares, process chemicals, fuels & packing material	812.13	919.52
Stock -in-trade (in respect of goods acquired for trading)	26.25	957.07
Material In transit	894.33	434.98
Consumable tools	94.51	106.38
Work in progress	7,791.33	6,494.31
Finished goods	5,203.90	4,740.73
Total	30,153.55	28,354.86

12.1 *Inventories are valued as per accounting policy in note no. 3.6

Note : 13 Trade receivables

	March 31, 2022	March 31, 2021
Unsecured, considered good	30,765.85	27,379.96
Unsecured and having significant credit risk	589.47	356.56
	31,355.32	27,736.52
Allowance for credit risk	(589.47)	(356.56)
	30,765.85	27,379.96

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

Trade receivables ageing as on March 31, 2022

Particulars	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	
As on 31.03.2022						
Undisputed - Considered Good	27,742.99	1,259.23	493.07	208.77	341.59	30,046
Undisputed-significant increase in credit risk	319.70	7.12	13.81	65.59	46.90	453
Undisputed - Credit impaired	-	-	-	-	-	-
Disputed - Considered Good	-	-	-	-	-	-
Disputed-significant increase in credit risk	-	-	-	-	136.36	136
Disputed - Credit impaired	-	-	-	-	-	-
Unbilled revenue	720.19	-	-	-	-	720
	28,782.89	1,266.35	506.88	274.36	524.85	31,355.32

As on 31.03.2021						
Undisputed - Considered Good	25,662.81	333.85	523.80	90.93	515.12	27,126.52
Undisputed-significant increase in credit risk	-	0.57	-	17.94	28.05	46.55
Undisputed - Credit impaired	-	-	-	-	-	-
Disputed - Considered Good	-	-	-	-	-	-
Disputed-significant increase in credit risk	-	-	-	30.29	279.72	310.01
Disputed - Credit impaired	-	-	-	-	-	-
Unbilled revenue	253.44	-	-	-	-	253.44
	25,916.25	334.42	523.80	139.16	822.89	27,736.52

Note : 14

14.1 Cash and cash equivalents

	March 31, 2022	March 31, 2021
Balances with banks in current accounts	165.99	7.88
Balances with banks in cash credit accounts	2,265.35	1,486.92
Cash on hand	5.06	3.60
Fixed deposits (maturity of less than three months)	2,343.33	1,049.23
Total	4,779.73	2,547.62

14.2 Other bank balances

	March 31, 2022	March 31, 2021
Balances with banks in other current accounts	33.42	29.56
Fixed deposits	3,950.84	2,643.10
Margin money deposits	1,458.84	1,476.40
Dividend account	55.59	40.15
Total	5,498.69	4,189.21

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

14.3 Financial Assets - others (current)

	March 31, 2022	March 31, 2021
Security deposits with Government and others	195.47	71.39
Advances to employees	76.61	94.20
Claims & other receivables	470.27	393.95
Interest accrued but not due on deposits	356.70	182.14
Total	1,099.05	741.69

14.4 Claims and other receivables include :

	March 31, 2022	March 31, 2021
a) Insurance claim on account of heavy rainfall (Refer Note : 14.5)	95.16	95.16
b) Payments under protest for pending litigations	300.48	298.79
c) Other receivables	74.63	-
Total	470.27	393.95

14.5 During the year 2011-12, certain assets of the company were damaged due to heavy rainfall. The company had incurred ₹95.16 lakhs towards repairing the damages caused and was accounted for as claim recoverable. The cost of new assets acquired is capitalised. However, the claim is made for total cost of repairs and acquisition of assets, as the loss is covered under re-instatement policy which was in force. The total claim was repudiated by the Insurer and the company filed a suit for recovery. The matter is still sub-judice.

Note : 15 Current tax assets (net)

	March 31, 2022	March 31, 2021
Advance payment of income Tax (including TDS)	-	1,820.01
Less : Provision for income Tax	-	1,767.27
Total	-	52.74

Note : 16 Other current assets

	March 31, 2022	March 31, 2021
A) Advances other than capital advances:		
Advances to employees	62.95	47.81
Advances to vendors for supply of goods / services	2,005.52	1,241.09
B) Others:		
Prepaid expenses	252.50	282.45
Export incentives receivable	263.26	41.29
GST/Service tax input/VAT receivables	151.90	134.24
Capital advances	380.00	391.00
Total	3,116.13	2,137.88

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

Note : 17 Equity share capital

	March 31, 2022	March 31, 2021
Authorised		
31,25,00,000 Equity shares of ₹1 each	3,125.00	3,125.00
(Previous Year 31,25,00,000 Equity shares of ₹1 each)		
Issued, subscribed and fully paid-up		
27,71,94,946 Equity shares of ₹1 each	2,771.95	2,771.95
(Previous Year 27,71,94,946 Equity shares of ₹1 each)		
Total	2,771.95	2,771.95

17.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2022		March 31, 2021	
	No. of Shares	Value ₹	No. of Shares	Value ₹
Equity Shares				
At the beginning of the period	27,71,94,946	2,771.95	27,71,94,946	2,771.95
Additions during the period on account of Business Combination	-	-	-	-
Deductions during the period on account of Business Combination	-	-	-	-
Outstanding at the end of the period	27,71,94,946	2,771.95	27,71,94,946	2,771.95

17.2 Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

17.3 Details of shareholders holding more than 5% shares in the company

Name of the Shareholder	March 31, 2022		March 31, 2021	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹1 each fully paid				
Promoter and Promoter group				
Barclays Wealth Trustees (India) Pvt Ltd -Trustees for Aluru Family Pvt Trust	14,18,17,643	51.16	14,11,41,643	50.92
Public				
BanyanTree Growth Capital LLC	2,34,69,551	8.47	2,89,83,735	10.46
Oman India Joint Investment Fund Management Company Pvt Ltd	2,58,42,240	9.32	2,68,42,240	9.68

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

17.4 Shares held by promoters at the end of the year

Sl no	Promoter Name	March 31, 2022		March 31, 2021		% change during the year
		No of Shares	% of Total shares	No of Shares	% of Total shares	
1	Dr. A J Prasad	26,92,827	0.97	24,25,243	0.87	0.10
2	A Uma Devi	9,50,397	0.34	9,50,397	0.34	-
3	M S S Srinath	19,56,920	0.71	19,56,920	0.71	-
4	Kavita Prasad	97,88,386	3.53	96,36,976	3.48	0.05
5	M Advay Bhagirath	39,17,600	1.41	39,17,600	1.41	-
6	M Deeksha	20,87,187	0.75	20,31,187	0.73	0.02
7	Barclays Wealth Trustees (India) Pvt Ltd - Trustee for Aluru Family Pvt Trust	14,18,17,643	51.16	14,11,41,643	50.92	0.24
8	Barclays Wealth Trustees (India) Pvt Ltd - Trustee for Mikkilineni Family Private Trust	2,53,134	0.09	1,22,000	0.04	0.05
Total		16,34,64,094	58.96	16,21,81,966	58.50	0.46

Note : 18 Other equity - (refer statement of changes in equity)

	March 31, 2022	March 31, 2021
Capital reserve	1.02	1.02
Capital redemption reserve	2.70	2.70
Investment subsidy from state government	55.77	55.77
Securities premium	23,010.66	23,010.66
General reserve	32,272.35	32,272.35
Retained earnings (balance of surplus in the statement of changes in equity)	29,086.00	21,200.73
Total	84,428.50	76,543.24

Note : 19 Non- current - financial liabilities

19.1 Borrowings

	March 31, 2022	March 31, 2021
Term Loans from banks (secured)		
ICICI Bank Ltd	2,727.27	1,000.00
HDFC Bank Ltd. - against vehicles	38.63	11.55
Total	2,765.90	1,011.55

19.2 Lease liability

	March 31, 2022	March 31, 2021
Lease liability	929.03	818.01
Total	929.03	818.01

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

19.3 Current - financial liabilities

Borrowings (current maturities)

	March 31, 2022	March 31, 2021
Long term debt from banks (secured)		
ICICI Bank Ltd	272.73	-
HDFC Bank Ltd. - against vehicles	24.00	13.39
Total	296.72	13.39

19.4 Current maturities of long term debt

Instalments due within 12 months from the date of Balance Sheet classified as current as shown above are disclosed in borrowings.

19.5 Term loans :

The particulars of loans drawn, nature of security, terms of repayment, rate of interest, instalments due and loan wise outstanding are as under.

a) Term loan from ICICI :

ICICI Bank sanctioned term Loan of ₹4,500.00 lakhs (drawn ₹3,000.00 lakhs) for Li-ion & Electronic Drive Train project. 1) The loan is secured by a first Paripassu charge on present and future assets (movable or immovable) of the company alongwith other term lenders ; 2) All the loans are guaranteed by some of the promoters in their personal capacity.

Name of the bank	Loan amount drawn	No of instalments	% of interest	Outstanding as on March 31, 2022
ICICI Bank	3,000.00	22 (QTLY) commencing from Oct 22	7.95	3,000.00

b) HDFC bank - vehicle loan

The Term Loans are secured by exclusive hypothecation of vehicles acquired through execution of demand promissory notes and are repayable by Equated Monthly Installments (EMIs) as per the loan schedule sanctioned by the bank.

19.6 As on the Balance Sheet date, there were no continuing defaults in repayment of borrowings and interest.

Note : 20

20.1 Provisions (non - current)

	March 31, 2022	March 31, 2021
Provision for employee benefits		
Provision for earned leave encashment	199.41	199.50
Total	199.41	199.50

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

20.2 Provisions (current)

	March 31, 2022	March 31, 2021
Provision for employee benefits		
Provision for earned leave encashment	41.43	42.04
Provision for gratuity*	233.27	265.05
Other provisions		
Provision for warranties	1,960.30	1,486.94
Provision for commission on profits to director	356.94	71.93
Total	2,591.94	1,865.97
*Present value of obligation	2,021.43	1,860.34
Fair value of plan asset	1,788.16	1,595.28
Short fall provided for	233.27	265.06

Note : 21 Deferred tax liability (net)

	March 31, 2022	March 31, 2021
Deferred tax liability (as per last balance sheet)	1,176.60	1,258.14
Add: Deferred tax (asset)/liability for the year	(106.04)	(81.54)
Total	1,070.56	1,176.60

Note : 22 Borrowings

	March 31, 2022	March 31, 2021
A) Loans repayable on demand from banks (secured)		
State Bank of India	-	750.00
ICICI Bank Ltd	-	500.00
Axis Bank Ltd	-	500.00
Total (A)	-	1,750.00
B) Loans repayable on demand from related parties (unsecured)		
Loans from directors	-	411.00
Total (B)	-	411.00
C) Other loans from banks (unsecured)		
Purchase bill discounting from Kotak Mahindra Bank Ltd	445.98	256.87
Purchase bill discounting from HDFC Bank Ltd	-	33.17
Purchase bill discounting from Axis Bank Ltd	1,463.83	2,273.06
Total (C)	1,909.81	2,563.10
D) Current maturities of long-term debt (refer note - 19.3)	296.72	13.39
Total (D)	296.72	13.39
Total (A+B+C+D)	2,206.54	4,737.49

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

22.1 Working capital loans

The demand loans from Banks are secured by a first charge on all the chargeable current assets and by a second charge on the Property, Plant and Equipment (both present and future) of the Company. All the loans are guaranteed by some of the promoters in their personal capacity.

22.2 Purchase bill discounting from Kotak Mahindra Bank Ltd. is guaranteed by some of the promoters of the Company in their personal capacity and undated cheque of the Company for the limit value. Purchase Bill Discounting from Axis Bank Ltd. is guaranteed by some of the promoters in their personal capacity and undated cheque of the Company equivalent to limit/standing instructions for making payment on due date. Purchase bill discounting facility from HDFC Bank Ltd. has been closed during the year.

22.3 Loan from Directors is repayable on demand with interest. However, loan has been repaid during the year.

Note : 23 Lease liability

	March 31, 2022	March 31, 2021
Lease liability	161.75	176.89
Total	161.75	176.89

Note : 24 Trade payables

	March 31, 2022	March 31, 2021
Total outstanding dues of :		
(a) Micro Enterprises and Small Enterprises (MESE)	908.18	1,021.15
(b) Creditors other than micro enterprises and small enterprises	7,677.58	5,652.01
Total	8,585.75	6,673.16

24.1 Trade Payable aging schedule

	Outstanding for following periods from the date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31.03.2022					
(i) MSME	908.18	-	-	-	908.18
(ii) Others	6,675.45	50.99	29.70	26.99	6,783.13
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	0.11	-	-	0.11
(v) Liability for materials	894.33	-	-	-	894.33
Total	8,477.96	51.11	29.70	26.99	8,585.75
As on 31.03.2021					
(i) MSME	1,014.06	-	-	-	1,014.06
(ii) Others	5,142.07	34.67	9.29	23.42	5,209.45
(iii) Disputed dues- MSME	0.09	-	7.00	-	7.09
(iv) Disputed dues- Others	7.58	-	-	-	7.58
(v) Liability for materials	434.98	-	-	-	434.98
Total	6,598.78	34.67	16.29	23.42	6,673.16

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

24.2 Details relating to micro, small & medium enterprises :

	March 31, 2022	March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier at the year end :		
Principal amount	908.18	1,021.15
Within due date	908.18	1,021.15
Beyond due date	-	-
Interest	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day		
Principal amount		-
Interest	-	-
The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	-	-
The amount of interest accrued and remaining unpaid	-	-

Note: The above information has been given only in respect of those suppliers who have informed the Company that they are registered under MSMED Act 2006. Some of these vendors were associated with the Company for long period of time and do maintain a harmonious continuous business relationship. The Company is normally prompt in servicing these vendors' claims as per mutually agreed terms of payment. The company had not received any claim towards interest from any of the Vendors and in view of the said longstanding business relationship, does not expect or foresee any claims in future as well. The company does not have any claims for interest remaining due and payable.

Note : 25 Other financial liabilities - current

	March 31, 2022	March 31, 2021
Interest accrued but not due on loans	-	0.44
Unpaid/unclaimed dividends (refer note - 25.1)	55.59	40.15
Trade deposits	155.89	156.47
Creditors for capital expenditure	21.75	236.12
Invoice mart payable	2,345.33	2,537.54
Statutory dues	1,011.50	867.57
Directors' current account	113.99	146.66
Accrued compensations to employees	1,195.85	1,209.18
Total	4,899.88	5,194.12

25.1 Does not include any amount outstanding which is required to be credited to Investor Education and Protection Fund (IEPF).

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

Note : 26 Other current liabilities

	March 31, 2022	March 31, 2021
Advances against sales	1,854.68	1,082.62
Advance against sale of investments/assets	5.05	-
Un earned and deferred revenue	-	1,194.43
Accrued expenses	723.09	869.17
Total	2,582.82	3,146.21

Note : 27 Current tax liabilities (net)

	March 31, 2022	March 31, 2021
Provision for income tax	4,767.27	-
Advance payment of income tax (including TDS)	4,528.23	-
Total	239.04	-

Note : 28 Revenue from operations

	March 31, 2022	March 31, 2021
a). Sale of products	1,12,084.69	82,527.49
b). Sale of traded goods	275.70	152.82
c). Sale of services	7,425.20	6,427.18
d). Other operating revenue - sale of scrap	2,363.93	1,787.11
Total	1,22,149.53	90,894.59

Note : 29 Other income

	March 31, 2022	March 31, 2021
a) Interest income		
Interest received on deposits with banks/others	523.45	440.02
Interest on IT refunds	147.90	16.05
b) Other non-operating income (net of directly attributable expenses)		
Exchange gains	571.27	406.62
Miscellaneous income (including Gain / Loss on termination / Modification of leases)	185.01	85.78
Total	1,427.63	948.47

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

Note : 30 Cost of material consumed

	March 31, 2022	March 31, 2021
Opening stocks	14,701.88	14,720.21
Purchases, material, components & consumables	76,167.16	54,909.93
	90,869.04	69,630.14
Less : Closing stocks	15,331.09	14,701.88
	75,537.95	54,928.26
Less : Internal capitalisation	3.16	28.33
Cost of material consumed	Total 75,534.79	54,899.93

Note : 31 (Increase) / Decrease in inventories of finished goods, stock-in-trade and work-in-progress

	March 31, 2022	March 31, 2021
a) Manufactured goods		
i) Opening stocks		
a) Semi finished goods	6,494.31	7,270.09
b) Finished goods	4,740.73	4,811.22
Total (A)	11,235.04	12,081.31
ii) Closing stocks		
a) Semi finished goods	7,791.33	6,494.31
b) Finished goods	5,203.90	4,740.73
Total (B)	12,995.23	11,235.04
(Increase) / Decrease (C = A - B)	(1,760.19)	846.27
b) Traded goods		
Opening stock of traded goods	957.07	1,299.41
Closing stock of traded goods	26.25	957.07
(Increase) / Decrease (D)	930.82	342.33
(Increase) / Decrease in inventory (C+D)	(829.37)	1,188.60

Note : 32 Employee benefits expense:

	March 31, 2022	March 31, 2021
Salaries & bonus	7,532.28	6,519.43
Contribution to provident & other funds	592.27	544.34
Gratuity	129.50	79.46
Staff welfare expenses	729.90	532.32
Recruitment & training	13.11	8.56
Remuneration to directors:		
Salaries & allowances	129.46	94.93
Contribution to provident fund	9.89	10.10
Commission on profits	356.94	71.93
Directors sitting fees	3.50	3.80
Total	9,496.85	7,864.88

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

Note : 33 Finance cost

	March 31, 2022	March 31, 2021
Interest on term loans	157.48	44.42
Interest on bank borrowings	47.60	601.55
Interest on vehicle loans	3.41	1.70
Interest on unsecured loans	18.33	47.61
Interest on lease liability	102.15	104.28
Interest - others	86.73	49.95
Bank charges & commission	469.04	599.52
	884.75	1,449.03
Less: Transfers to pre-operative expenses	157.48	0.44
Total	727.27	1,448.59

Note : 34 Depreciation and amortization expense

	March 31, 2022	March 31, 2021
Depreciation on tangible assets	2,675.52	2,942.40
Amortisation on intangible assets	645.48	682.77
Amortisation on right of use assets	146.20	217.65
Total	3,467.20	3,842.82

Note : 35 Manufacturing expenses

	March 31, 2022	March 31, 2021
Stores & spares consumed	1,774.85	1,240.81
Equipment lease rentals	35.88	34.41
Consumable tools charged off	105.85	106.75
Contract wages	7,787.26	6,294.96
Testing charges	106.46	209.78
Power and fuel	4,244.46	3,645.50
Total	14,054.77	11,532.21

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

Note : 36

	March 31, 2022	March 31, 2021
(A) Administrative expenses		
Rent	125.16	108.11
Rates, duties & taxes	120.51	130.69
Insurance	336.04	232.95
Professional & consultancy charges	559.09	897.05
Expenditure incurred on corporate social responsibility activities	102.03	105.01
Repairs and maintenance	981.63	822.87
Travelling and conveyance	953.52	632.99
Sundry expenses	926.66	736.65
Payments to auditors (refer note 36.1)	35.00	30.00
Audit expenses	0.72	0.33
Advances & deposits written off	69.51	15.51
Total	4,209.85	3,712.18
(B) Selling expenses		
Freight & insurance on sales	3,344.83	2,806.61
Commission on sales	254.75	89.34
Liquidated damages	374.51	28.81
Credit impairment	291.25	555.57
Lifetime expected credit loss	453.11	356.56
Provision for warranties	473.36	172.68
Installation charges paid	311.15	229.10
Televan hire charges	0.36	6.19
Other selling expenses	459.80	343.81
Total	5,963.12	4,588.67

Note : 36.1 Details of payments to auditor towards :

	March 31, 2022	March 31, 2021
Audit fee	35.00	30.00
GST on audit fee	6.30	5.40
Total	41.30	35.40

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

Note : 37 Exceptional items of (income)/expenditure

	March 31, 2022	March 31, 2021
Loss on fire accident	43.00	-
Impairment / diminution In value of investments	-	(1.57)
(Profit)/Loss on sale of assets	(1,961.99)	(133.18)
Assets written off	839.03	673.70
Shifting/Relocation expenses	6.94	-
Total	(1,073.01)	538.95

Note : 38

Disclosure as per Ind AS - 33 Earnings Per Share (EPS) - Face value of share : ₹1/- each

Computation of EPS (Basic & Diluted)

	March 31, 2022	March 31, 2021
Profit before OCI	8,939.76	1,457.97
Profit after OCI	8,855.44	1,311.98
No. of shares (basic)	27,71,94,946	27,71,94,946
No. of shares (diluted)	27,71,94,946	27,71,94,946
EPS Before OCI		
Basic ₹	3.23	0.53
Diluted ₹	3.23	0.53
EPS after OCI		
Basic ₹	3.19	0.47
Diluted ₹	3.19	0.47

Note : 39 Disclosure as per schedule III of the act and Ind AS-37 on provisions, contingent liabilities and contingent assets :

39.1 Movement of provisions during the year 2021-22

Particulars	Provision for warranties
a) the carrying amount at the beginning of the period	1,486.94
b) additional provisions made in the period, including increases to existing provisions	1,568.32
c) amounts reversed on completion of warranty period	(1,019.32)
d) unused amounts reversed during the period	-
e) the increase during the period in the discounted amount arising from the passage of time and the effect of any change in the discount rate.	(75.64)
f) the carrying amount at the end of the period ;	1,960.30

Unused amounts of provision for warranties represents provision reversed from the opening balance (after warranty period). It is expected that provision for warranties will be incurred in the next 12 to 60 months. Actual expenditure incurred during warranty period towards replacements etc. is charged off under respective heads of expenditure.

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

39.2 Contingent liabilities not provided for and commitments:

All known and undisputed claims and liabilities where there is a present obligation as a result of past events and it is probable that there will be an outflow of resources, have been duly provided for. The contingent liabilities and commitments are as under:

Nature of contingent liability	March 31, 2022	March 31, 2021
i) Contingent liabilities not provided for:		
a) Claims against the Company not acknowledged as debts towards :		
Excise duty	2,585.23	415.31
Sales tax	673.98	728.40
Custom duty	488.70	488.70
Service tax	194.90	132.48
Goods and service tax	16.98	15.41
Property tax	242.03	134.25
Fuel surcharge adjustment	231.95	228.08
Erstwhile promoters of SCIL Infracon Private Limited *	188.31	188.31
Others	361.84	80.47
b) Un-expired guarantees issued on behalf of the Company by banks for which the Company gave counter guarantees	13,156.49	16,000.86
ii) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,269.91	695.52

* The civil suit filed by Erstwhile promoters, of SCIL Infracon Private Limited, was dismissed. However on 17 July 2020 the Hon'ble High Court appointed a sole arbitrator. Subsequently, the claimants then filed a fresh petition with the arbitrator, wherein several new claims were made against the Company and others. In the opinion of the company's legal counsel, the petitioners' grounds are weak and all the claims made by them are baseless, vexatious and frivolous, since they are in utter distortion of facts. The Company does not recognize any of these said claims and deny all of them out right. The matter is still under the process of arbitration hearing. In view of the above, as the management is confident of the matter being decided in their favour, the said fresh claims are not reported under contingent liabilities.

The Company has other commitments, for purchase / sale orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits in the normal course of business. The company does not have any long term commitments or material non-cancellable contractual commitments / contracts, which might have material impact on the financial statements.

39.3 Commitment towards dividend

The Board in its meeting held on May 26, 2022 has recommended a dividend of ₹0.40 ps per Equity Share of ₹1/- each for the financial year ended March 31, 2022. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held, and if approved would result in a cash outflow of ₹1108.78 lakhs towards dividend.

39.4 Contingent assets:

During the year 2011, some assets at one of the plants of the Company, were damaged due to heavy rains. The Company's claim for the loss was repudiated by the insurers. A case was filed for recovery of the claim of ₹.234.60 lakhs towards loss suffered apart from interest thereon. The matter is sub judice.

During the year 2014, there was a heavy damage to the assets and inventory at two plants of the Company, due to hudhud cyclone. The Company's claim for the resultant losses was partly allowed by the Insurers and the balance claims were repudiated. The matter relating to the claim of ₹400 lakhs towards damage to assets and inventory and ₹921.75 lakhs towards

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

loss of profits, apart from interest thereon, on being referred to arbitration was partly awarded in favour of the company. Subsequently on an appeal by the insurer further proceedings of arbitration were stayed by the Commercial Court. The matter is sub judice.

During the year, there was a heavy damage to the assets and inventory at one of the plants of the Company, on account of fire accident. The Company lodged a claim towards the resultant losses. Pending acceptance and settlement of the claim by the insurers, the value of damaged inventory and assets (net of salvage value) to the tune of Rs. 43.00 lakhs is charged off as an expenditure under exceptional item.

Note : 40 Income tax and Sales tax assessments:

40.1 Income tax:

Taxes were paid in accordance with income tax returns filed and were charged off to revenue. In respect of pending assessments, the liability, if any, that may arise upon completion of assessments is not ascertainable at this stage. During the year, in the Income Tax Assessments, there were no transactions that were not recorded in the books of accounts but have been surrendered or disclosed as income.

40.2 Sales tax:

The Company has paid/provided for VAT/CST as per the records and returns filed upto September 30, 2017 after considering the input VAT on purchases and also on the basis of concessional forms expected to be received from customers. The related assessments for various years are pending at various stages in different states. The liability, if any, in respect of such pending assessments is not ascertainable at this stage.

Note : 41 Confirmation of balances

The Company had sent letters seeking confirmation of balances to various parties under trade payables, trade receivables, advance to suppliers and others and advance from customers. Based on the confirmations received and upon proper review, corrective actions have been initiated and the amounts have been tried up, accounting adjustments have been made wherever found necessary. Such confirmations are awaited from some parties, comprising of government departments and public sector undertakings.

Note : 42

42.1 In the opinion of the board, assets other than fixed assets and non-current investments have a value, on realisation in the ordinary course of business, which is at least equal to the amount at which they are stated in the financial statements.

42.2 The company has utilized the borrowings from banks and financial institutions for the specific purpose for which it was taken.

42.3 In respect of borrowings from banks and financial institutions, the quarterly returns or statements of current assets filed by the company are in agreement with the books of accounts.

42.4 Relationship with Struck off Companies:

The Company has attempted machine matching of the names of its active customers/vendors with the list of "Struck Off companies" hosted in the MCA website. Since no matches were found during this exercise, there are no transactions / relationships to report.

Notes forming part of the **Standalone Financial Statements**

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42.5 Disclosure on Ratios

Sl. No	Ratio	Numerator	Denominator	Current reporting period	Previous reporting period	Variation	Reasons
				Ratio	Ratio		
1	Current ratio	Current assets	Current liabilities	3.55	3.00	18.16%	
2	Debt equity ratio	Total debt	Shareholder's equity	0.07	0.09	18.22%	
3	DSCR	Earnings available for debt service \$	Debt service #	2.96	0.56	429.90%	Improved profitability combined with lower debt servicing cost.
4	Return on equity	Net profit after tax	Average shareholder's equity	0.11	0.02	538.81%	Improved profitability
5	Inventory turnover	Net sales	Average inventory	4.18	3.10	34.63%	Improved sales levels for similar levels of Inventory
6	Trade receivable turnover	Net sales	Average trade receivables	4.20	3.08	36.59%	Improved sales levels for similar levels of debtors
7	Trade payable turnover	Purchases	Average trade payables	10.01	7.73	29.58%	Increased level of purchases for given level of creditors
8	Net capital turnover	Net sales	Working capital	2.26	2.08	8.24%	
9	Net profit ratio	Net profit after tax	Net sales	7.25	1.44	402.26%	Increased profitability
10	Return on capital employed	Earning before interest and taxes	Capital employed*	13.18	3.67	259.37%	Increased profitability
11	Return on investment	Time weighted rate of return		0.00	0.00	0.00%	
	Subsidiaries	-	-	Nil	Nil		ROI for investments in unquoted/ unlisted subsidiaries is not computed since there are no cash flows from such investments and the market value of the investment could not be ascertained in the absence of comparative data
	Quoted investment	-	-	Nil	Nil		Investment of ₹2.58 lacs in quoted equity shares is very nominal and its ROI has not been computed as it is considered insignificant
	Unquoted investment	-	-	Nil	Nil		Investment of ₹0.10 lacs in unquoted equity shares is very nominal and its ROI has not been computed as it is considered insignificant

\$	Earnings available for debt service	Net profit after taxes + depreciation + amortisation + interest + other adjustments like loss/ (profit) on sale of fixed assets etc.,
#	Debt service	Interest and lease payments + principal repayments
*	Capital employed	Tangible net worth + total debt + deferred tax liability

Notes forming part of the **Standalone Financial Statements**

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Note : 43 Disclosures as prescribed by Indian Accounting Standard (Ind AS)

42.1 Disclosure as per Ind AS - 2 - Inventories

During the year ended March 31, 2022, ₹1.01 lakhs (March 31, 2021, ₹52.55 lakhs) was recognised as an expense in respect of inventories carried at net realisable value in the statement of profit and loss.

During the year obsolete goods held for trading to the tune of ₹881.33 lakhs were charged off to the Profit and Loss account under changes in inventory of traded goods.

43.2 Disclosure as per Ind AS - 7

Statement of reconciliation for changes in liabilities arising from financing activities.

	Long-term borrowings	Working capital borrowings	Unsecured loans
Opening balance	1,024.94	4,313.10	411.00
Borrowed during the year	2,056.94	-	-
Repaid during the year	(19.25)	-	(411.00)
Net movement	2,037.69	(2,403.28)	(411.00)
Closing balance	3,062.63	1,909.81	-

43.3 Disclosure as per Ind AS -115 - Contracts with customers

A) De-segregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major segment product and geographical regions:

Particulars	Battery		Electronics & Others		Total
	Within India	Outside India	Within India	Outside India	
March 31, 2022					
Revenue from customers					
Timing of revenue recognition					
(a) At a point in time	65,630.27	12,436.34	27,902.45	12,775.33	1,18,744.39
(b) Over time	565.00	-	2,840.14	-	3,405.14
Total	66,195.27	12,436.34	30,742.59	12,775.33	1,22,149.53
March 31, 2021					
Revenue from customers					
Timing of revenue recognition					
(a) At a point in time	57,410.45	12,522.51	12,775.57	4,221.61	86,930.14
(b) Over time	769.15	-	3,195.30	-	3,964.45
Total	58,179.60	12,522.51	15,970.87	4,221.61	90,894.59

Notes forming part of the **Standalone Financial Statements**

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Customer category wise disaggregation

Particulars	March 31, 2022		March 31, 2021	
	Battery	Electronics & Others	Battery	Electronics & Others
Revenue from customers				
Railways	14,082.01	6,935.88	8,484.72	6,529.78
Telecom/Industry	51,969.54	5,351.71	48,771.23	3,536.13
Defence	143.72	18,455.00	923.65	5,904.78
Exports	12,436.34	12,775.33	12,522.51	4,221.79
Total	78,631.61	43,517.92	70,702.11	20,192.48

B) Contract balances

The following table provides information about trade receivables, contracts assets, and contract liabilities from contracts with customers.

Particulars	March 31, 2022	March 31, 2021
Receivables	30,765.85	27,379.96
Contract assets	720.19	253.44
Contract liabilities	1,854.68	1,082.62

There are no significant changes on account of business combinations, transition adjustments or changes in time frame for a, right to consideration / performance obligation.

Movement of contractual liabilities

Particulars	March 31, 2022	March 31, 2021
Opening balance	1,082.62	1,264.83
Received during the year	19,346.09	9,225.23
Revenue recognised / adjusted	(18,574.03)	(9,407.44)
Closing balance	1,854.68	1,082.62

There are no significant items of Revenue to be recognised against performance obligation satisfied in previous year due to change in transaction price.

Timing of satisfaction of performance Obligations

For each performance obligation satisfied over time the company recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The objective when measuring progress is to depict the company's performance in transferring control of goods or services promised to a customer (ie the satisfaction of an entity's performance obligation).

The right to payment for performance completed to date does not need to be for a fixed amount. However, at all times throughout the duration of the contract, the company is entitled to an amount that at least compensates for performance completed to date if the contract is terminated by the customer or another party for reasons other than the company's failure to perform as promised.

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Output method is used for measurement where the units produced or units delivered faithfully depict the company's performance in satisfying a performance obligation and, at the end of the reporting period, the company's performance has produced work in progress or finished goods that are not controlled by the customer.

Input method is used to recognise revenue where the company's efforts or inputs in satisfaction of a performance obligation (for example, resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) is relative to the total expected inputs to the satisfaction of that performance obligation and depict the company's performance in transferring control of goods or services to the customer.

C) Movement in provisions on account of impairment and credit loss

Provision movement	March 31, 2022		March 31, 2021	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Opening balance	356.56	-	714.99	-
Add: Additions / Expected lifetime credit loss	744.36	-	912.12	-
Less: Write off / Impairment	511.45	-	1,270.56	-
Less: Reversal	-	-	-	-
Closing balance	589.47	-	356.56	-

43.4 Disclosure as per Ind AS -12 - Income tax

a) A Reconciliation of the Income tax provision to the amount computed by applying the statutory income tax rate to the Income before income tax is summarized as follows:

Particulars	Year ended	
	March 31, 2022	March 31, 2021
Profit before tax but after other comprehensive income excluding profit on sale of Land	10,362.49	1,714.51
Profit on sale of land	1,340.61	35.55
Profit before tax but after other comprehensive income	11,703.10	1,750.06
Enacted tax rates (%)		
On Business income	25.17	25.17
On Capital gains	25.17	25.17
Computed expected tax expense	2,945.44	440.46
Tax effect due to Non-Taxable Income	(493.79)	(33.52)
Tax reversals	(71.20)	(231.74)
Tax effect due to Non-Deductible expenses	552.33	533.46
Tax effect on others	67.23	(33.65)
Income tax expense	3,000.00	675.00
Effective tax rate %	25.63	38.57

Notes forming part of the **Standalone Financial Statements**

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b) Details of income tax assets and income tax liabilities are as follows:

	March 31, 2022	March 31, 2021
Advance tax / MAT Credit / TDS	4,528.23	1,820.01
Provision for income tax	4,767.27	1,767.27
Asset / (Liability)	(239.04)	52.74

c) The gross movement in the current income tax asset / (liability) is as follows:

	March 31, 2022	March 31, 2021
Net current income tax asset / (liability) at the beginning	52.74	479.49
Add : income tax paid / adjusted (net of refund received)	2,708.22	248.25
Less : provision for current tax	3,000.00	675.00
Net current income tax asset / (liability) at the end	(239.04)	52.74

d) The tax effects of significant temporary differences that resulted in deferred income tax asset and liability are as follows:

Particulars	March 31, 2022	March 31, 2021
Deferred tax liability		
Property, Plant and Equipment	1,279.53	1,370.09
Total	1,279.53	1,370.09
Deferred tax asset		
Leave encashment	60.61	60.79
Provision for doubtful debts	148.36	89.74
Impact of IND AS-116 (Leases)	-	42.95
Total	208.97	193.48
Deferred tax liability after set off of deferred tax asset	1,070.56	1,176.60

e) The gross movement in the deferred income tax account is as follows:

	March 31, 2022	March 31, 2021
Net deferred tax liability at the beginning	1,176.60	1,258.14
Credit / (charge) relating to temporary differences	(106.04)	(81.54)
Net deferred income tax liability at the end	1,070.56	1,176.60

43.5 Disclosure as per Ind AS-116 - Leases

(i) Transition from Ind AS 17

- The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019).
- The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or

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contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application. The Company has used a single discount rate to a portfolio of leases with similar characteristics.

- c) On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application using the practical expedient provided by the standard.

(ii) The details of the Right-of-use asset held by the Company is as follows:

in Lakhs

Description	Leasehold Land	Buildings	Total
Gross carrying amount			
As on April 01, 2021	643.82	588.43	1,232.25
Additions/Adjustments		193.31	193.31
As on March 31, 2022	643.82	781.74	1,425.56
Accumulated amortization			
As on April 01, 2021	67.68	327.01	394.69
For the period	34.69	111.50	146.19
As on March 31, 2022	102.37	438.51	540.88
Net carrying amount			
As on March 31, 2022	541.45	343.23	884.68
As on March 31, 2021	576.14	261.42	837.56

(iii) Lease liabilities:

	March 31, 2022	March 31, 2021
Opening balance	994.90	861.59
Additions/Adjustments	201.23	234.65
Interest for the year	102.15	104.28
Cash outflow for leases	207.50	205.62
Closing balance	1,090.78	994.90
Current lease liability	161.75	176.89
Non-current lease liability	929.03	818.01

(iv) The company incurred ₹161.04 lakhs for the year ended March 31, 2022 (Previous year ₹142.52 lakhs) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹368.54 lakhs for the year ended March 31, 2022 (Previous year ₹348.14 lakhs), including cash outflow for short term and low value leases.

(v) Lease contracts for land & building entered by the company are primarily to conduct its business in the ordinary course.

43.6 Disclosure as per Ind AS-19 -Employee benefits

a) **Defined contribution plan:**

Contribution to defined contribution plan, recognised as expense for the year are as under:

	March 31, 2022	March 31, 2021
Employer's contribution to PF/ESI/ pension plan	602.17	554.45

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b) Defined benefit plan:

(i) Gratuity obligation of the Company :

To cover the employer's obligation towards gratuity, under the Payment of Gratuity Act, the Company has obtained actuarial valuation of the said liability. As per the valuation made under Projected Unit Credit method by the Actuary, the fund required to be maintained, to cover the present value of past service benefit and current service cost, is fully funded/provided for by the Company. To meet the actual liability, the company has taken a Group Gratuity Policy of the LIC of India and to keep the policy alive, the Company also paid the annual risk premium and recognised it as expense for the year.

Assets and liability (balance sheet position)

Particulars	March 31, 2022	March 31, 2021
Present value of obligation	2,021.43	1,860.34
Fair value of plan assets	1,788.16	1,595.28
Surplus / (deficit)	(233.27)	(265.05)
Effects of asset ceiling, if any	-	-
Net asset/(liability)	(233.27)	(265.05)

Expense recognized during the period (including premium paid)

Particulars	March 31, 2022	March 31, 2021
In income statement (P&L a/c--expense provision)	129.50	79.98
In other comprehensive income (B/sheet item)	112.67	195.09

Actuarial valuation method

The valuation has been carried out using the Projected Unit Credit Method as per Ind AS 19 to determine the Present Value of Defined Benefit Obligations and the related Current Service Cost and, where applicable, Past Service Cost.

The benefits valued

The benefit valued in this report are summarised below:

Type of plan	Defined benefit
Employer's contribution	100%
Employees' contribution	Nil
Salary for calculation of gratuity	Last drawn salary
Normal retirement age	58
Vesting period	5 Years
Benefit on normal retirement	Same as per the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time).
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service upto the date of exit.
Benefit on death in service	Same as normal retirement benefit and no vesting period condition applies.
Limit	₹2000000
Gratuity formula	$(15/26) \times \text{last drawn salary} \times \text{number of completed years}$

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Effect of any amendments, curtailments and settlements - not applicable in this case.

Explanation of amounts in financial statements

Changes in the present value of obligation

Particulars	For the period ending	
	March 31, 2022	March 31, 2021
Present value of obligation as at the beginning	1,860.34	1,639.23
Current service cost	70.46	64.88
Interest expense or cost	125.85	110.98
Actuarial (gains) / loss on obligations	124.20	210.49
Past service cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits paid	(159.42)	(165.24)
Acquisition adjustment	-	-
Effect of business combinations or disposals	-	-
Present value of obligation as at the end	2,021.43	1,860.34
Bifurcation of net liability		
Current liability (short term)	286.73	214.58
Non-current liability (long term)	1,734.70	1,645.76
Net liability	2,021.43	1,860.34

Changes in the fair value of plan assets

	March 31, 2022	March 31, 2021
Fair value of plan assets as at the beginning	1,595.28	1,343.43
Acquisition adjustment	(42.30)	5.26
Expected return on plan assets	107.92	90.95
Contributions	275.00	306.00
Benefits paid	(159.42)	(165.24)
Actuarial gain/(loss) on plan assets	11.68	14.88
Fair value of plan assets as at the end	1,788.16	1,595.28

Other comprehensive income	March 31, 2022	March 31, 2021
Actuarial (gains) / losses - change in demographic assumptions	-	-
Actuarial (gains) / losses - change in financial assumptions	(56.06)	0.82
Actuarial (gains) / losses - experience variance	180.27	209.68
Actuarial (gains) / loss on obligations	124.20	210.49
Actuarial (gains) / loss on plan assets	11.68	14.88
Total Other Comprehensive Income(OCI)	112.52	195.61

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(ii) Long term compensated absences - leave encashment:

The present value of obligation for long term compensated absences is determined on actuarial valuation using Projected Unit Credit method (PUC) and is charged to Profit and Loss account. The obligation is not funded.

Assets and liability (balance sheet position)

Particulars	March 31, 2022	March 31, 2021
Present value of obligation	240.84	230.78
Fair value of plan assets	-	-
Surplus / (deficit)	(240.84)	(230.78)
Effects of asset ceiling, if any	-	-
Net asset/(liability)	(240.84)	(230.78)

Expense recognized during the period

Particulars	March 31, 2022	March 31, 2021
In Income statement (P&L--expense provision)	37.98	27.84

Actuarial Valuation Method

The valuation has been carried out using the Projected Unit Credit Method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost and, where applicable, past service cost.

The benefits valued

The benefit valued in this report are summarised below:

Type of Plan	Long term benefit
Employer's contribution	100%
Employees' contribution	NIL
Salary for calculation of leave encashment benefit	Last drawn salary
Normal retirement age	58
Vesting period	Not applicable
Benefit on normal retirement	Leave Salary (Gross Salary) subject to a maximum of 30 days' salary
Benefit on early retirement / termination / resignation / withdrawal	As above
Benefit on death in service	As above
Limit	Yes
Benefit formula	No. of days' leave encashable x last drawn salary

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Changes in the present value of obligation

Particulars	March 31, 2022	March 31, 2021
Present value of obligation as at the beginning	230.78	202.94
Current service cost	27.25	26.13
Interest expense or cost	15.61	13.74
Actuarial (gain)/ loss on obligations	(4.88)	(12.03)
Past service cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits paid	(27.93)	-
Acquisition adjustment	-	-
Effect of business combinations or disposals	-	-
Present value of obligation as at the end	240.83	230.78

Bifurcation of net liability

Particulars	March 31, 2022	March 31, 2021
Current liability (short term)	41.43	31.28
Non-current liability (long term)	199.40	199.50
Net liability	240.83	230.78

Changes in the fair value of plan assets

Particulars	March 31, 2022	March 31, 2021
a) Fair value of plan assets at the start:	-	-
b) Acquisition adjustments	-	-
c) Expected return on plan assets	-	-
d) Contributions	27.93	-
e) Benefits paid	(27.93)	-
f) Actuarial gain /(loss) on plan assets	-	-
g) Fair value of plan assets as at the end	-	-

43.7 Disclosure as per Ind AS -21 - The effects of changes in foreign exchange rates

	March 31, 2022	March 31, 2021
Exchange differences arising out of settlement / translation on account of :		
a) Exports	347.21	154.54
b) Imports	223.46	253.25
c) Others	0.60	(1.18)
Net gain (loss) recognised during the year	571.27	406.62

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43.8 Disclosure as per Ind AS- 24 - Related party disclosures

1	Subsidiaries	SCIL Infracon Private Limited	
		HBL Germany, GMBH	
		HBL America, INC	
		Torquedrive Technologies Private Limited (TTL)	
2	Step Down Subsidiary	TTL Electric Fuel Private Limited (Subsidiary of TTL)	
3	Joint venture entity	Gulf Batteries Company Ltd, Kingdom of Saudi Arabia	
4	Associate	Naval Systems & Technologies Private Limited	
5	Key Management Personnel	Dr A J Prasad	Chairman & Managing Director
		Kavita Prasad	Whole Time Director
		M Advay Bhagirath	Non-Executive Director- w.e.f 21.06.2021
		M S S Srinath	President
		K Sridharan	Chief Financial Officer
		M V S S Kumar	Company Secretary
		Non-Executive Directors	
		P. Ganapathi Rao	Independent Director
		Preeti Khandelwal	Independent Director
		K Venkat Sriram	Independent Director
		Richa Datta	Independent Director
		Dr Ramanujulu Nandakumar Ramnath	Independent Director w.e.f 13.08.2021
		Ajay Bhaskar Limaye	Non- Executive Director up to 13.04.2021
		Abhishek G Poddar	Non- Executive Director up to 21.06.2021

Disclosure of transactions with related parties and the status of outstanding balances.

Sl. No	Name	Nature of transaction	Transactions during the year	As on March 31, 2022	
				Gross trade receivables (un-secured)	Gross trade payables
1	Subsidiaries	Acquisition of Equity Shares	169.10	-	
			-	-	
		Sale of goods	5,114.34	2,803.80	
			(4,075.72)	(2,663.04)	
		Purchase of goods	-		47.94
			(3.90)		(1.36)
		Reimbursement of expenses	1.90		-
			(46.57)		-

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Sl. No	Name	Nature of transaction	Transactions during the year	As on March 31, 2022	
				Gross trade receivables (un-secured)	Gross trade payables
2	Key management personnel	Funds repaid	411.00	-	-
			(150.00)	-	(411.00)
		Remuneration paid	247.01	-	
			(173.74)		
		Commission on profits	356.94	-	474.08
			(71.93)		(221.45)
		Rent paid	8.50	-	
			(7.73)		
		Interest paid	18.33	-	
			(47.61)		
		Sitting fee paid to non-executive directors	3.50	-	-
			(3.80)	-	-

Figures in brackets represent previous year balances

Directors / key management personnel interested companies as on March 31, 2022

Sl. No	Name	Designation	Directorship in other Companies	Percentage of Shareholding in other Companies
I Directors				
1	Dr. A J Prasad	Promoter – Chairman & Managing Director	Beaver Technologies Private Limited	Beaver Technologies Private Limited (56.57%)
2	Mr. MSS Srinath	Promoter and President	Naval Systems & Technologies Private Limited	Naval Systems & Technologies Private Limited (10%)
			Beaver Technologies Private Limited	Beaver Technologies Private Limited (21.71%)
			Torquedrive Technologies Private Limited	-
			TTL Electric Fuel Private Limited	-
			Uma Soil Sciences Private Limited -Applied for striking off on March 17, 2022	Uma Soil Sciences Private Limited (50%)
3	Mrs. Kavita Prasad	Promoter - whole time director	Naval Systems & Technologies Private Limited	-
			Beaver Technologies Private Limited	Beaver Technologies Private Limited (21.71%)
			Torquedrive Technologies Private Limited	-
			TTL Electric Fuel Private Limited	-
			Uma Soil Sciences Private Limited -Applied for striking off on March 17, 2022	Uma Soil Sciences Private Limited (50%)
II Key managerial personnel				
1	Mr. K Sridharan	Chief financial officer	Not Applicable	Not Applicable
2	Mr. MVSS Kumar	Company secretary	SCIL Infracon Private Limited	Not Applicable

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43.9 Disclosure as per Ind AS - 38 - Intangible assets (expenditure on research & development)

Aggregate amount of research and development expenditure that is not eligible for capitalization, recognised as an expense during the period in which they were incurred and grouped under other expenses is as under:

	March 31, 2022	March 31, 2021
Employee costs	54.13	28.72
Other expenses	45.62	14.75
Finance cost	51.83	0.59
Depreciation and amortization	37.71	27.05
Total	189.29	71.11

43.10 Disclosure as per Ind AS-108 - Operating segments

This financial report contains both the consolidated financial statements of parent, that is within the scope of this Ind AS, as well as the parent's separate financial statements. Therefore, in accordance with Para 4 of Ind AS 108, segment information is given in the consolidated financial statements.

43.11 FINANCIAL INSTRUMENTS

A) Capital management

The Company manages its Capital structure and make adjustments to it, in light of changes in economic condition. To maintain or adjust the capital structure, the Company may adjust the dividend payment to Shareholders, return capital to Shareholder, or issue new shares. No changes were made in the objectives, policies and procedures in the past three years.

The Company monitors capital using a Gearing Ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, trade and other payables, other liabilities, less cash and cash equivalents. Capital includes Issued Equity Capital, Securities Premium and all other Equity Reserves attributable to the Equity holders.

B) Financial instruments by category

The carrying and fair value of financial instruments by categories as of March 31, 2022 were as follows:

(₹ in lakhs)

Particulars	March 31, 2022			March 31, 2021		
	Amortised cost	Total carrying value	Total fair value	Amortised cost	Total carrying value	Total fair value
Assets :						
Cash cash equivalents	4,779.73	4,779.73	4,779.73	2,547.62	2,547.62	2,547.62
Other bank balances	5,498.69	5,498.69	5,498.69	4,189.21	4,189.21	4,189.21
Investments in Subsidiaries, Associates & Joint Arrangements	513.81	513.81	516.29	344.73	344.73	344.73
Trade receivables	30,765.85	30,765.85	30,765.85	27,379.96	27,379.96	27,379.96
Other financial assets	4,137.93	4,137.93	4,137.93	5,373.76	5,373.76	5,373.76
Total	45,696.02	45,696.02	45,698.49	39,835.29	39,835.29	39,835.29

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2022

Particulars	March 31, 2022			March 31, 2021		
	Amortised cost	Total carrying value	Total fair value	Amortised cost	Total carrying value	Total fair value
Liabilities :						
Trade payables	8,585.75	8,585.75	8,585.75	6,673.16	6,673.16	6,673.16
Borrowings	4,972.44	4,972.44	4,972.44	5,762.42	5,762.42	5,762.42
Lease liability	1,090.78	1,090.78	1,090.78	994.90	994.90	994.90
Other financial liabilities	4,899.88	4,899.88	4,899.88	5,194.12	5,194.12	5,194.12
Total	19,548.85	19,548.85	19,548.85	18,624.61	18,624.61	18,624.61

43.11 FINANCIAL INSTRUMENTS

B) Financial risk management

Financial risk factors

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key Financial Risks include Market Risk, Credit Risk and Liquidity Risk. The management reviews and designs policies and procedures to minimise potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The companies exposure to credit risk is influenced mainly by the customers repayments. The companies exposure to liquidity risks are on account of interest rate risk on borrowings. The following sections provide details regarding the companies exposure to the above mentioned financial risks and the management thereof.

Market risk

The Company operates internationally and a portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in those countries. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates/ depreciates against these currencies. The company leaves exchange rate risk with regard to foreign exposures unhedged when the local currency is depreciating against the foreign currency and hedges this risk when the local currency is appreciating against the foreign currency. Currently the foreign exchange risk of the company is covered through Natural Hedge and the Company uses the foreign currency denominated accounts to mitigate the exchange rate variation.

Analysis of foreign currency risk from financial instruments as of March 31, 2022 :

(₹ in Lakhs)

Particulars	U.S.dollars	Euro	GBP	Total
Trade receivables	74.96	23.43	0.74	99.13
Other financial assets	-	-	-	-
Trade payables	(20.01)	(2.19)	(0.15)	(22.35)
Other financial liabilities	(1.14)	(0.33)	-	(1.47)
Net assets/(liabilities)	53.81	20.91	0.59	75.31

Analysis of foreign currency risk from financial instruments as of March 31, 2021 :

Particulars	U.S.dollars	Euro	GBP	Total
Trade receivables	52.99	15.25	6.01	74.25
Other financial assets	-	-	-	-
Trade payables	(8.45)	(4.72)	(0.22)	(13.39)
Other financial liabilities	(0.97)	(0.52)	-	(1.49)
Net assets/(liabilities)	43.57	10.01	5.79	59.37

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

For the year ended March 31, 2022 and March 31, 2021, the depreciation / appreciation in the exchange rate between the Indian rupee and respective unhedged foreign currency exposures, has resulted in incremental operating margins by approximate ₹571.27 lakhs and ₹406.62 lakhs respectively.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹30,765.85 lakhs and ₹27,379.96 lakhs as of March 31, 2022 and March 31, 2021, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and overseas. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers :

Particulars	March 31, 2022	March 31, 2021
Revenue from top customer	5.62%	4.56%
Revenue from top five customers	18.95%	18.20%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2022 was ₹589.47 Lakhs. The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2021 was ₹356.56 Lakhs.

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning	356.56	714.99
Lifetime expected credit loss	744.36	912.13
Credit Impairment	(511.45)	(1270.56)
Balance at the end	589.47	356.56

Credit risk on cash and cash equivalents is limited as the company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies with no history of default.

Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company also has long term and short term borrowings from banks and financial institutions. Term loans are project specific and for refinancing of capital expenditures. Short term loans repayable on demand from banks are obtained for the working capital requirements of the company.

As of March 31, 2022, the Company had a working capital of ₹57,147.85 lakhs including cash and cash equivalents of ₹4,779.73 lakhs . As of March 31, 2021, the Company had a working capital of ₹43,612.72 lakhs including cash and cash equivalents of ₹2,547.62 lakhs .

As of March 31, 2022 and March 31, 2021, the outstanding gratuity and compensated absences were ₹474.11 lakhs and ₹506.59 lakhs, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of the companies financial instruments will fluctuate because of the change in market interest rates. The company is exposed to interest rate risks as it has significant interest bearing loans from banks and financial institutions. These fluctuations are managed through negotiated and prefixed interest rates on term loans enabling the management to plan its future financial commitments and exposures. Short term

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

and Working capital loans repayable on demand are a subject to prevailing market rate fluctuations and sanctioned facilities are availed on a need to borrow basis to ensure minimum exposure to interest rate fluctuations.

The table below provides details regarding the contractual maturities of significant financial liabilities.

Particulars	< 1 year	1-2 years	> 2 years	Total
As on March 31, 2022				
Trade payables	8,585.75	-	-	8,585.75
Long term borrowings	296.72	570.39	2,195.51	3,062.63
Short term borrowings	1,909.81	-	-	1,909.81
Lease liability	161.75	157.76	771.27	1,090.78
Other financial liabilities (excluding borrowings from banks and financial institutions)	4,899.88	-	-	4,899.88

As on March 31, 2021

Trade payables	6,673.17	-	-	6,673.17
Long term borrowings	13.39	102.45	909.09	1,024.94
Short term borrowings	4,724.10	-	-	4,724.10
Lease liability	176.89	161.75	656.25	994.89
Other financial liabilities (excluding borrowings from banks and financial institutions)	5,194.12	-	-	5,194.12

Note : 44

Disclosures relating to Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least two percent of its average net profits for the immediately preceding three years, on Corporate Social Responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promotion of education, art and culture, health care, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were utilized through the year on these activities which are specified in schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the Company during the year ₹63.01 Lakhs (Previous year ₹89.53 Lakhs).

b) The details of amounts spent during the year on CSR activities are as follows:

Nature of CSR activities	March 31, 2022	March 31, 2021
i) Eradication of malnutrition and hunger	63.28	14.80
ii) COVID-19 contributions	2.00	5.00
iii) Promotion of children education	27.05	17.28
iv) Environment protection and restoration	0.00	1.00
v) Contribution to eligible entities	9.70	7.18
Total	102.03	45.26
vi) Unspent balance provided in the books	-	59.75
Total	102.03	105.01
CSR Budget approved by the Board	103.00	105.00
Cumulative unspent balance	27.56	59.75

Notes forming part of the **Standalone Financial Statements**

for the year ended March 31, 2022

Note : 45

Impact of COVID-19

The Company has considered the possible risk that may result from the pandemic relating to COVID-19 and expects to recover the carrying amount of all its assets including inventories, receivables, investments and other financial and non-financial assets in the ordinary course of business based on the internal and external information available upto the date approval of these financial results. The Company is continuously monitoring any material changes in future economic condition.

Note : 46

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date annexed

On behalf of the board

for Rao & Kumar

Chartered Accountants
FRN No. 03089 S

Anirban Pal

Partner
M.No : 214919
UDIN : 22214919AJRIOK5267

Place : Hyderabad
Date : May 26, 2022

Dr A J Prasad

Chairman & Managing Director
DIN : 00057275

K Sridharan

Chief Financial Officer

Kavita Prasad

Director
DIN : 00319292

M V S S Kumar

Company Secretary

Place : Hyderabad
Date : May 26, 2022

INDEPENDENT AUDITOR'S REPORT

To
The Members of
HBL Power Systems Limited,
Hyderabad

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of HBL Power Systems Limited (hereinafter referred to as the 'Parent Company') and its subsidiaries (Parent Company and its subsidiaries together referred to as "the Group"), and its associate, as stated in Note 45, which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity, and the Consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate entity as at March 31, 2022, of consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

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 Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the group and its associate in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 judgment were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the 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 that there are no key audit matters to communicate in our report.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in management report and chairman's statement but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Responsibilities of management and those charged with governance for the consolidated financial statements

The parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group including its associate in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the group and of its associate company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the group 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the group and of its associate company are responsible for assessing the ability of the group and of its associate company 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 group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group and of its associate company are responsible for

overseeing the financial reporting process of the Group and of its associate company.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated financial statements.

Paragraph 41(b) of this SA explains that the shaded material below can be located in an Appendix to the auditor's report. Paragraph 41(c) explains that when law, regulation or the applicable auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below.

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 control 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 auditor's report to the related disclosures in the 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 auditor's 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.

We communicate with those charged with governance of the parent Company and such other entity included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication

Other matters

- We did not audit the financial statements / financial information of 2 (Two) subsidiaries, whose financial statements / financial information reflect total assets of ₹2,232.82 lakhs as at March 31, 2022, total revenues of ₹6,589.94 lakhs and net cash flows amounting to ₹105.91 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 65.51 lakhs for the year ended March 31, 2022, as considered in the consolidated financial statements, in respect of 1 (one) associate, whose financial statements / financial information have not been audited by us.
- These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on other legal and regulatory requirements

As required by Section 143 (3) of the Act, we report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated cash flow statement dealt with by this report are in agreement with.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the parent Company as on March 31, 2022 taken on record by the Board of Directors of the parent Company and the reports of the statutory auditors of its associate company incorporated in India, none of the directors of the group companies, its associate company incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the group and the operating effectiveness of such controls, refer to our separate report in Annexure – A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the group and its associate – Refer Note 40.2 to the consolidated financial statements.
 - (ii) The group and its associate entity did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the parent Company and its subsidiary companies and one associate company incorporated in India.
 - (iv) (a) The respective managements of the parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) 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 or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, 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.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) As stated in Note 40.3 to the consolidated financial statements
- (a) The final dividend proposed in the previous year, declared and paid by the Parent Company during the year is in accordance with Section 123 of the Act, as applicable.
 - (b) The Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing annual general meeting. The amount of

dividend proposed is in accordance with section 123 of the Act, as applicable.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and according to the information and explanations given to us the remuneration paid during the current year by the parent Company and its subsidiary companies, where applicable, to its directors is in accordance with the provisions of section 197 of the Act.
- (i) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report)

Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries and one associate entity audited by other auditors, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For Rao & Kumar
Chartered Accountants
FRN 03089S

Anirban Pal

Partner

M.No. 214919

UDIN No: 22214919AJRIBV1069

Place: Hyderabad
Date: 26/05/2022

Annexure – A

(Referred to in Paragraph 2(f) of 'Report on other legal and regulatory requirements' in our report of even date)

Report on the internal financial controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS Financial Statements of HBL Power Systems Limited ("the Parent") as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of the Parent, its Subsidiaries and Associate incorporated in India as of that date.

Management's responsibility for internal financial controls

The respective Board of Directors of the of the Parent, its Subsidiaries and Associate, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the parent Company, its subsidiary companies and its associate company, which are companies incorporated in India considering the essential components of internal controls 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 the respective 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 Act.

Auditors' responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate company, which are companies incorporated in India, 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") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those

Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained and audit evidence obtained by other auditors in terms of their report referred to in the other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiaries and its associate company, which are companies incorporated in India.

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 (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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 over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

According to the information and explanations given to us and based on our audit we are of the opinion that, the Parent

Company, its subsidiaries and its associate company, which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2022, based on the internal control over financial reporting criteria established by the Parent Company, its subsidiaries and its associate 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.

Other matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to two subsidiaries and an associate, which are companies incorporated in India, is based on the corresponding reports of the auditors of those companies.

Place: Hyderabad
Date: 26/05/2022

For **Rao & Kumar**
Chartered Accountants
FRN 03089S

Anirban Pal
Partner
M.No. 214919

Consolidated Balance Sheet as at March 31, 2022

(₹ in Lakhs)

Particulars	Note	As at March 31, 2022		As at March 31, 2021	
I) ASSETS					
1 Non current assets					
(a) Property, Plant and Equipment	4	24,334.75		25,161.88	
(b) Capital works in progress	6	4,266.83		1,426.81	
(c) Right of use assets		1,015.73		992.96	
(d) Intangible assets	7	1,100.35		1,745.83	
(e) Intangible assets under development	8	3,866.23		2,859.31	
(f) Equity accounted investments	8A	770.23	35,354.12	704.71	32,891.50
(g) Financial assets					
(i) Investments	9	0.10		0.10	
(ii) Other financial assets	10	3,056.15		4,636.63	
(h) Other non current assets	11	23.26	3,079.50	84.19	4,720.92
2 Current assets					
(a) Inventories	12	30,703.34		28,985.63	
(b) Financial assets					
(i) Investments	9	2.58		2.59	
(ii) Trade receivables	13	29,266.01		25,371.61	
(iii) Cash and cash equivalents	14	4,973.22		2,635.20	
(iv) Other bank balances	14	5,498.69		4,189.21	
(v) Others	11	1,100.98		741.70	
(c) Current tax assets (Net)	15	-		52.74	
(d) Other current assets	16	3,167.49		2,172.55	
(e) Assets held for sale	5	115.20	74,827.51	1,862.43	66,013.65
Total			1,13,261.13	1,03,626.07	
II) EQUITY AND LIABILITIES					
1 Equity					
(a) Equity share capital	17	2,771.95		2,771.95	
(b) Other equity	18a	83,804.36	86,576.31	75,432.94	78,204.89
2 Minority interest					
	19		0.74		-
3 Non current liabilities					
(a) Financial liabilities					
(i) Borrowings	20	2,765.90		1,053.15	
(ii) Lease liability	20	1,052.83		956.79	
(b) Provisions	21	199.41		199.50	
(c) Deferred tax liabilities (Net)	22	1,030.93		1,226.15	
(d) Other non current liabilities	-	-	5,049.07	-	3,435.59
4 Current liabilities					
(a) Financial liabilities					
(i) Borrowings	23	2,249.69		4,777.78	
(ii) Lease liability	24	192.27		206.57	
(iii) Trade payables					
(a) Total outstanding dues of MESE	25	908.18		937.51	
(b) Total outstanding dues to creditors other than MESE	25	7,850.70		5,796.86	
(iv) Other financial liabilities	26	4,979.95		5,221.85	
(b) Other current liabilities	27	2,622.27		3,178.12	
(c) Provisions	21	2,592.91		1,866.90	
(d) Current tax liabilities (Net)	28	239.04	21,635.01		21,985.59
Total			1,13,261.13	1,03,626.07	

The accompanying Notes 1 to 49 form an integral part of this consolidated financial statements

As per our report of even date annexed

for **Rao & Kumar**

Chartered Accountants

FRN No. 03089 S

Anirban Pal

Partner

M.No : 214919

UDIN No: 22214919AJRIBV1069

Place : Hyderabad

Date : May 26, 2022

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

K Sridharan

Chief Financial Officer

On behalf of the board

Kavita Prasad

Director

DIN : 00319292

M V S S Kumar

Company Secretary

Place : Hyderabad

Date : May 26, 2022

Consolidated Statement of Profit & Loss

for the year ended March 31, 2022

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Revenue			
I Revenue from operations	29	1,23,621.02	91,203.86
II Other income	30	1,437.40	962.91
III Total Income (I + II)		1,25,058.42	92,166.76
Expenses			
IV Cost of material consumed	31	75,850.62	55,257.42
Purchases of stock in trade		209.93	281.09
Changes in inventories of finished goods, stock -in - trade and work - in - progress	32	(748.41)	728.80
Employee benefits expense	33	9,990.97	8,217.32
Finance costs	34	747.59	1,471.36
Depreciation and amortization expense	35	3,508.42	3,881.07
Manufacturing expenses	36	14,054.77	11,539.97
Administrative expenses	37	4,331.57	3,824.50
Selling expenses	37	6,033.61	4,617.53
Total Expenses (IV)		1,13,979.07	89,819.05
V Profit before exceptional items and tax (III - IV)		11,079.35	2,347.71
VI Exceptional items - income/(expense)	38	1,073.01	(539.71)
VII Profit after exceptional items (V - VI)		12,152.36	1,808.00
VIII Share in profit / (loss) of associate / joint venture	8B	87.96	134.19
IX Profit before tax (VII - VIII)		12,240.32	1,942.19
X Tax expense			
(1) Current tax		3,028.31	709.34
(2) Deferred tax (asset)/liability		(112.68)	15.56
(3) Income tax relating to previous years		(46.31)	(155.37)
XI Profit after tax before Minority Interest (IX - X)		9,371.00	1,372.66
XII Minority Interest-C/Y share of Profit/(Loss)		(19.25)	-
XIII Profit after minority interest (XI - XII)		9,390.25	1,372.66
XIV Other comprehensive income (Net)			
Items that will not be reclassified to profit or loss -			
a) Remeasurement of defined benefit plans		(112.67)	(195.09)
b) Tax effect		28.36	49.10
c) Total - (c = a + b)		(84.32)	(145.99)
Items that may be reclassified to profit or loss -			
d) Exchange differences in translating the financial statements of foreign operations		(18.55)	5.79
e) Tax effect		4.67	(1.46)
f) Total - (f = d + e)		(13.88)	4.33
g) Total other comprehensive income (Net) - (g= c+f)		(98.20)	(141.66)
XV Total comprehensive income for the period (XI + XII)		9,292.05	1,231.00
Profit/(Loss) for the year attributable to:			
Owner of the Company		9,409.50	1,372.66
Non-controlling interest		(19.25)	-
		9,390.25	1,372.66
Other comprehensive income for the year attributable to:			
Owner of the Company		(98.20)	(141.66)
Non-controlling interest		-	-
		(98.20)	(141.66)
Total comprehensive income for the year attributable to:			
Owner of the Company		9,311.30	1,231.00
Non-controlling interest		(19.25)	-
		9,292.05	1,231.00
XVI Earnings per equity share (Face value ₹ 1/- per share)	39		
(1) Basic ₹		3.35	0.44
(2) Diluted ₹		3.35	0.44

The accompanying Notes 1 to 49 form an integral part of this consolidated financial statements

As per our report of even date annexed

for **Rao & Kumar**

Chartered Accountants

FRN No. 03089 S

Anirban Pal

Partner

M.No : 214919

UDIN No: 22214919AJRIBV1069

Place : Hyderabad

Date : May 26, 2022

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

K Sridharan

Chief Financial Officer

On behalf of the board

Kavita Prasad

Director

DIN : 00319292

M V S S Kumar

Company Secretary

Place : Hyderabad

Date : May 26, 2022

Consolidated Cash Flow Statement for the year ended March 31, 2022

(₹ in Lakhs)

	Year ended March 31, 2022	Year ended March 31, 2021
A Cash flow from operating activities		
Profit before tax and after minority interest/associates profit	11,186.56	2,481.90
Exceptional items - income / (expenditure) *	1,073.01	(539.71)
Other comprehensive income (net)	(131.22)	(189.30)
Total comprehensive income before tax	12,128.35	1,752.89
Adjustments for:		
Depreciation	2,692.39	2,952.39
Amortisation of intangible assets	645.48	682.77
Right of use assts	170.55	245.91
Diminution in value of investments	-	(2.48)
Profit on sale of assets	(1,961.99)	541.28
Advances & deposits written off	69.51	15.51
Interest income	(523.45)	(440.02)
Interest expense	208.49	647.67
Bad debts written off (Credit impairment)	291.25	557.80
Provision for doubtful debts (Lifetime expected credit loss)	453.11	356.56
Other provisions	725.93	132.80
	2,771.26	5,690.18
Operating profit before working capital changes	14,899.61	7,443.07
(Increase)/decrease in sundry debtors	(4,638.76)	4,229.61
(Increase)/decrease in inventories	(1,717.72)	1,446.45
(Increase) / decrease in loans & advances **	(1,152.74)	(2,622.00)
Increase/(decrease) in trade paybles	2,024.52	(1,074.19)
Increase/(decrease) in current liabilities	(477.79)	2,824.72
	(5,962.49)	4,804.59
Cash generated from operations	8,937.11	12,247.66
Income tax paid net of refunds	(2,736.53)	(290.76)
Income tax adjustment relating to previous years	46.31	155.37
Net cash flow from operating activities (A)	6,246.89	12,112.27
B Cash flow from investing activities		
Purchase of fixed assets	(6,812.81)	(3,874.56)
Sale proceeds of fixed assets	4,677.44	332.45
Investment of associates/JV	(65.51)	(100.07)
Net outflow on account of minority interest	0.74	
Interest received	523.45	440.02
Net cash flow from investing activities (B)	(1,676.69)	(3,202.15)

Consolidated Cash Flow Statement (Contd.) for the year ended March 31, 2022

(₹ in Lakhs)

	Year ended March 31, 2022		Year ended March 31, 2021
C Cash flow from financing activities			
Repayment of long-term borrowings	(1,998.95)		(56.19)
Payment of lease liability	238.18		251.53
(Increase)/decrease in working capital borrowings	2,403.28		9,084.90
(Increase)/decrease in unsecured loans	411.00		150.00
Dividend payment	970.18		277.19
Interest paid	208.49		647.67
Net cash flow used in financing activities (C)		2,232.18	10,355.10
D Net increase in cash and cash equivalents (A+B-C)		2,338.02	(1,444.98)
Cash and cash equiv.at beginning of the period		2,635.20	4,080.17
Cash and cash equiv. at end of the period		4,973.22	2,635.19
Cash and cash equivalents			
Cash on hand		5.09	3.62
Balances with banks in current account		4,968.13	2,631.57
Total		4,973.22	2,635.20

Notes to the cash flow statement for the year ended 31-03-2022

- 1 This statement is prepared as per Ind AS - 7 (indirect method).
- 2 * Details of the exceptional items are given in note 38.
- 3 ** Including bank balances other than cash and cash equivalents
- 4 Previous year's figures were re-grouped wherever necessary.

As per our annexed report of even date annexed for **Rao & Kumar**

Chartered Accountants
FRN No. 03089 S

Anirban Pal

Partner

M.No : 214919

UDIN No: 22214919AJRIBV1069

Place : Hyderabad

Date : May 26, 2022

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

K Sridharan

Chief Financial Officer

On behalf of the board

Kavita Prasad

Director

DIN : 00319292

M V S S Kumar

Company Secretary

Place : Hyderabad

Date : May 26, 2022

Consolidated Cash Flow Statement for the year ended March 31, 2022

(₹ in Lakhs)

a) Equity and share capital

Particulars of parent company	Current reporting period March 31, 2022	Previous reporting period March 31, 2021
Balance at the beginning of the year	2,771.95	2,771.95
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	2,771.95	2,771.95
Changes in equity share capital during the current year	-	-
Balance at the end of the year	2,771.95	2,771.95

b) Other equity

Particulars	Capital reserve	Securities premium account	Other reserves		General reserve	Retained earnings	Foreign currency translation reserve	TOTAL
			Capital redemption reserve	Investment subsidy				
Balance at the beginning of the current reporting period April 1, 2021	1.02	23,010.66	2.70	55.77	32,272.35	20,408.71	(318.27)	75,432.94
Profit for the year						9,390.25		9,390.25
Other comprehensive Income for the year, net of income tax						(84.32)	(13.88)	(98.20)
Dividend						(970.18)		(970.18)
Adjustment to retained earnings on account of consolidation						49.55		49.55
Balance at the end of the reporting period March 31, 2022	1.02	23,010.66	2.70	55.77	32,272.35	28,794.01	(332.15)	83,804.36
Balance at the beginning of the current reporting period April 1, 2020	1.02	23,010.66	2.70	55.77	32,272.35	19,495.19	(322.61)	74,515.09
Profit for the year						1,372.65		1,372.65
Other comprehensive income for the year, net of income tax						(145.99)	4.33	(141.66)
Dividend						(277.19)		(277.19)
Adjustment to retained earnings on account of consolidation						(35.96)		(35.96)
Balance at the end of the reporting period March 31, 2021	1.02	23,010.66	2.70	55.77	32,272.35	20,408.71	(318.27)	75,432.94

As per our annexed report of even date annexed for **Rao & Kumar**

Chartered Accountants
FRN No. 03089 S

Anirban Pal
Partner
M.No : 214919
UDIN No: 22214919AJRIBV1069
Place : Hyderabad
Date : May 26, 2022

Dr A J Prasad
Chairman & Managing Director
DIN : 00057275
K Sridharan
Chief Financial Officer

On behalf of the board

Kavita Prasad
Director
DIN : 00319292

M V S S Kumar
Company Secretary

Place : Hyderabad
Date : May 26, 2022

Notes forming part of the **Consolidated Financial Statements**

for the year ended March 31, 2022

1. Corporate information

The Consolidated financial statements (CFS) comprise of financial statements of HBL Power Systems Limited (the parent company) and its subsidiaries (collectively the group), its joint venture Company and associate company for the year ended March 31, 2022.

The parent company is a public limited company incorporated and domiciled in India and has its registered office at Hyderabad, Telangana State, India. The parent company has its primary listings on the Bombay Stock Exchange and National Stock Exchange in India. The CFS were authorized for issuance by the parent Company's Audit Committee and Board of Directors on May 26, 2022.

The principal activities of the group comprises of manufacturing of different types of batteries, e- mobility and other products. The group is also engaged in service activities related to the above products.

2. Basis of preparation and measurement

2.1 Statement of compliance

The CFS as at and for the year ended March 31, 2022 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

2.2 Accounting convention and basis of measurement

The CFS have been prepared on the historical cost convention and on an accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments);
- ii) Defined benefit and other long-term employee benefits
- iii) Provision for warranties
- iv) Lease liability on right of use assets

2.3 Functional and presentation currency

The CFS are presented in Indian rupees, which is the functional currency of the parent Company and the currency of the primary economic environment in which the parent Company operates. All financial information presented in Indian rupees has been rounded off to the nearest lakh of rupees except share and per share data.

2.4 Use of Judgments, estimates and assumptions

The preparation of CFS in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities and contingent assets. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any affected future periods.

Information about critical judgements in applying accounting policies, as well as estimates and assumptions in respect of the following areas, that have most significant effect to the carrying amounts are included in the relevant notes.

- i) Useful lives of property, plant, equipment and intangibles.
- ii) Measurement of defined benefit obligations
- iii) Measurement and likelihood of occurrence of provisions and contingencies.
- iv) Recognition of deferred tax assets / liabilities.
- v) Impairment of intangibles
- vi) Expenditure relating to research and development activities.
- vii) Assessing the lease term (including anticipated renewals), non-cancellable period of a lease and the applicable discount rate in respect of assets taken on lease.

2.5 Operating cycle:

Based on the nature of products / activities of the group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the group

Notes forming part of the **Consolidated Financial Statements**

for the year ended March 31, 2022

has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.6 Basis of consolidation

- a) The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent Company. When the end of the reporting period of the parent Company is different from that of a subsidiary / associate / joint venture entity, that entity prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent Company to enable it to consolidate the financial information, unless it is impracticable to do so.
- b) The CFS incorporate the financial statements of the parent Company and entities controlled by the parent Company. Control is achieved when the parent Company:
 - has power over the investee;
 - is exposed, or has rights, to variable returns from its involvement with the investee; and
 - has the ability to use its power to affect its returns.
- c) The parent Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.
- d) When the parent Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The parent Company considers all relevant facts and circumstances in assessing whether or not its voting rights in an investee are sufficient to give it power, including:
 - the size of the parent Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
 - Potential voting rights held by the parent Company, other vote holders or other parties;
 - rights arising from other contractual arrangements; and
 - any additional facts and circumstances that indicate that the parent Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.
- e) Consolidation of a subsidiary begins when the parent Company obtains control over the subsidiary and ceases when it loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the parent Company gains control until the date when it ceases to control the subsidiary.
- f) Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the owners of the parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies.
- g) All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the group are eliminated in full on consolidation.
- h) Details of subsidiary companies considered in the preparation of the consolidated financial statements are given in Note 44
- i) Investments in associates and joint ventures
 - I) An 'Associate' is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.
 - II) A 'Joint Venture' is a type of joint arrangement whereby the parties that have joint control

Notes forming part of the **Consolidated Financial Statements**

for the year ended March 31, 2022

of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

- III) The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.
- IV) The group's investments in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets of the associate or joint venture since the acquisition date.
- V) The statement of profit and loss reflects the group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the group's OCI. In addition, when there has been a change recognised directly in the equity of associate or joint venture, the group recognises its share of any changes, when applicable, in the statement of changes in equity.
- VI) The aggregate of the group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit and loss.
- VII) Details of associate and joint venture companies considered in the preparation of the consolidated financial statements are given in Note 44

3. Summary of significant accounting policies

3.1 Property, Plant and Equipment (PPE)

- i) PPE are measured at cost less accumulated depreciation and impairment losses.
- ii) The cost of PPE includes those incurred directly for the construction or acquisition of the asset, and directly attributable to bringing it to the location and

condition necessary for it to be capable of operating in the manner intended by the management and includes the present value of expected cost for dismantling / restoration, wherever applicable.

- iii) The cost of major spares is recognized in the carrying amount of the item of property, plant and equipment, in accordance with the recognition criteria set out in the Standard. The carrying amount of the replaced part is derecognized at the time of actual replacement. The costs of the day-to-day servicing of the item are recognized in statement of profit or loss as incurred.
- iv) Depreciation on tangible assets including those on leasehold premises is provided under straight line method over the useful life of assets specified in Part C of Schedule II to the Companies Act, 2013 and in the manner specified therein, except in respect of Dies and Moulds which are depreciated over their technically estimated useful lives of 5 years on straight line method. Assets costing less than ₹5,000/- are fully depreciated in the year of purchase.
- v) Depreciation methods, useful lives and residual values are reviewed at each reporting date and accounted as change in accounting estimate.
- vi) Each component / part of an item of PPE with a cost that is significant in relation to the total cost of the item is depreciated separately only when it has a different useful life. The gain or loss arising from de-recognition of an item of PPE is included in statement of profit or loss when the item is derecognized.
- vii) Expenditure attributable /relating to PPE under construction / erection is accounted as under:
 - A) To the extent directly identifiable to any specific plant / unit, Trial run expenditure net of revenue is included in the cost of PPE.
 - B) To the extent not directly identifiable to any specific plant / unit, is kept under 'Expenditure During Construction' for allocation to PPE and is grouped under 'Capital work-in-progress'.

Notes forming part of the **Consolidated Financial Statements**

for the year ended March 31, 2022

3.2 Intangible assets

- i) Intangible asset is recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.
- ii) New product development expenditure, software licences, technical knowhow fee, infrastructure and logistic facilities, etc. are recognised as Intangible Assets upon completion of development and commencement of commercial production.
- iii) Intangible assets are amortized on straight line method over their technically estimated useful lives.
- iv) Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates.

3.3 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i) Assets taken under lease

- a) The group recognises Right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset is measured in accordance with the measurement criteria as per Ind AS 116. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.
- b) The group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily

determined, the group uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The group recognises the amount of the re-measurement of lease liability in accordance with the requirements under Ind AS 116.

- c) The group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense.

ii) Assets given on lease

At the inception of the lease the group classifies each of its leases as either an operating lease or a finance lease. The group recognises lease payments received under operating leases as income. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

3.4 Investment in subsidiaries, associates and joint arrangements

- i) Investments in associate and joint arrangements are accounted for using equity method
- ii) Investments in entities other than associate and joint arrangements are carried at cost and diminution / impairment with reference to market value is recognized.

3.5 Government grants

Government grants are recognised in the statement of profit or loss on a systematic basis over the periods in which the related costs for which the grants are intended to compensate are recognised as expenses.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

3.6 Inventories are valued as under:

i) Raw materials, consumables and stores & spares.	At lower of weighted average cost and net realisable value.
ii) Work-in-progress and finished goods.	At lower of net realisable value and weighted average cost of materials plus cost of conversion and other costs incurred in bringing them to the present location and condition.
iii) Long term contract work in progress (where the income it is not eligible for recognition as per Income recognition policy stated elsewhere).	At direct and attributable costs incurred in relation to such contracts.
iv) Stock-in-trade	At lower of cost and net realisable value
v) Consumable tools	At cost less amount charged off (which is at 1/3 rd of value each year).
vi) Services work-in-progress	Lower of cost and net realisable value

3.7 Assets held for Sale:

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met:

- (i) decision has been made to sell.
- (ii) the assets are available for immediate sale in its present condition.
- (iii) the assets are being actively marketed and
- (iv) sale has been agreed or is expected to be concluded within 12 months of the balance sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

3.8 Revenue recognition

- i) Revenue from contracts with customers that meet the recognition criteria under paragraph 9 of Ind AS 115 are recognised when (or as) a performance obligation is satisfied by transferring a promised good or service to a customer, for the amount of the transaction price that is allocated to that performance obligation.
- ii) "Satisfaction of a performance obligation and recognition of revenue over time is followed when, transfer of control of a good or service are made over time and, if one of the following criteria is met:
(a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
(b) the entity's performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or
(c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. Performance obligations that are not satisfied over time are treated as performance obligations satisfied at a point in time which in case of goods are upon their despatch/delivery to domestic customers as per terms of sale and on the basis of proof of export/delivery for export customers as per terms of sale and in case of services are upon completion of service.
- iii) Claims against outside agencies are accounted for on certainty of realization.
- iv) Interest income is reported on an accrual basis using the effective interest rate (EIR) method. Dividends, are recognized at the time the right to receive is established.
- v) Export Incentives under various schemes are recognized as income on certainty of realization.

3.9 Employee benefits

i) Short term benefits:

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. The cost of the benefits like salaries, wages, medical, leave travel assistance, short term compensated absences, bonus, exgratia, etc. is recognised as an expense

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in the period in which the employee renders the related service.

ii) Post-employment benefits:

A) Defined contribution plans:

The contribution paid/payable under provident fund scheme, ESI scheme and employee pension scheme is recognised as expenditure in the period in which the employee renders the related service.

B) Defined benefit plans:

An obligation towards gratuity is a defined benefit plan. The present value of the estimated future cash flows of the obligation under such plan is determined based on actuarial valuation using the projected unit credit method. Any difference between the interest income on plan assets and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experienced adjustments within the plan are recognized immediately in OCI and subsequently not reclassified to the statement of profit and loss.

All defined benefit plan obligations are determined based on valuation as at the end of the reporting period, made by independent actuary using the projected unit credit method. The classification of the entity's net obligation into current and non-current is as per the actuarial valuation report.

iii) Long term employee benefits:

The obligation for long term employee benefits such as long term compensated absences, is determined and recognised in the similar manner stated in the defined benefit plan.

3.10 Foreign currency

- i) Transactions relating to non-monetary items and purchase and sale of goods/services denominated in foreign currency are recorded at the exchange rate prevailing or a rate that approximates the actual rate on the date of transaction.
- ii) Assets & liabilities in the nature of monetary items denominated in foreign currencies are translated

and restated at prevailing exchange rates as at the end of the reporting period.

- iii) Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognized as expense or income in the period in which they arise.
- iv) Foreign currency gains and losses are reported on a net basis. This includes changes in the fair value of foreign exchange derivative instruments, which are accounted at fair value through profit or loss
- v) For the purposes of presenting these CFS, the assets and liabilities of the group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in OCI and accumulated in equity (and attributed to non- controlling interests as appropriate).
- vi) On the disposal of a foreign operation (i.e. a disposal of the group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the parent Company are reclassified to profit or loss.
- vii) In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the group losing significant influence or joint control), the proportionate share of the

Notes forming part of the **Consolidated Financial Statements**

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accumulated exchange differences is reclassified to profit or loss.

3.11 Current tax and deferred tax

i) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

ii) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profits differ from the profit 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. The group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

iii) Deferred tax

Deferred tax is recognised 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. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences 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 all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the group expects,

at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

iv) Current and deferred tax for the year

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

3.12 Borrowing costs

- i) Borrowing costs incurred for obtaining assets which take substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets.
- ii) Other borrowing costs are treated as expense for the year.
- iii) Significant transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using Effective Interest Rate (EIR) method.

3.13 Financial instruments (financial assets and financial liabilities):

- i) All financial instruments are recognized initially at fair value. The classification of financial Instruments depends on the objective of the business model for which it is held and the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. For the purpose of subsequent measurement, financial instruments of the group are classified into (a) Non-derivative financial instruments and (b) derivative financial instruments.
- ii) Non-derivative financial instruments
 - A) Security deposits, cash and cash equivalents, employee and other advances, trade receivables and eligible current and non-current financial assets are classified as financial assets under this clause.
 - B) Loans and borrowings, trade and other payables including deposits collected from various

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parties and eligible current and non-current financial liabilities are classified as financial liabilities under this clause.

- C) Financial instruments are subsequently carried at amortized cost wherever applicable using EIR method less impairment loss.
- D) Transaction costs that are attributable to the financial instruments recognized at amortized cost are included in the fair value of such instruments.

iii) Derivative financial instruments

- A) Derivative financial assets and liabilities are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date
- B) Changes in the fair value of any derivative asset or liability are recognized immediately in the income statement and are included in other income or expenses.
- C) Cash flow hedge: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in OCI and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction.

(iv) Impairment

i) Financial assets

- A) The group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- ◇ Financial assets that are debt instruments, and are measured at amortized cost wherever applicable for e.g., loans, debt securities, deposits, and bank balance.

- ◇ Trade receivables

- B) The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

ii) Non-financial assets

The group assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the group estimates the amount of impairment loss.

3.14 Provisions

- i) Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- ii) The amount recognized 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.
- iii) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset, if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.
- iv) Provisions for onerous contracts are recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. Provisions for onerous contracts

Notes forming part of the **Consolidated Financial Statements**

for the year ended March 31, 2022

are measured at the present value of lower of the expected net cost of fulfilling the contract and the expected cost of terminating the contract.

3.15 Earnings Per Share (EPS)

- i) Basic EPS is computed by dividing the profit after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year / period.
- ii) Diluted EPS is computed by dividing the profit after tax attributable to equity shareholders, as adjusted

for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic EPS and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Note : 4 Property, Plant and Equipment as on March 31, 2022

(₹ in Lakhs)

Description	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	As on April 1, 2021	As on March 31, 2022	As on April 1, 2021	For the period	As on March 31, 2022	As on March 31, 2021
Land - freehold	3,630.83	3,403.15	-	-	-	3,630.83
Land - leasehold	-	-	-	-	-	-
Buildings - factory	16,284.62	14,324.91	6,719.13	446.08	6,435.77	7,889.14
Buildings - others	476.39	472.30	110.05	8.33	104.54	366.34
Plant and equipment	40,622.15	38,022.64	27,951.32	1,977.13	26,640.43	12,670.83
Furniture & fixtures	517.74	569.19	362.91	30.21	350.40	154.83
Vehicles	893.54	1,093.40	611.92	63.56	635.89	281.62
Office equipment	1,713.02	2,231.38	1,363.15	167.08	1,504.48	349.87
Office equipment under finance lease	86.48	86.48	81.99	-	81.99	4.49
Technical library	1.89	1.89	1.89	-	1.89	-
Total	64,226.66	60,205.34	37,202.36	2,692.39	35,755.39	27,024.30
Less: Transferred to assets held for sale	115.20	115.20	-	-	-	1,862.43
Net Total	64,111.46	60,090.14	37,202.36	2,692.39	35,755.39	25,161.87
Carrying value as at March 31, 2021	67,766.21	64,226.66	38,917.30	2,952.39	37,202.36	25,161.87

4.1 In respect of dies & moulds in plant & machinery group, the management had, in the past, technically estimated their useful lives at 5 years and the company had continued to charge such higher depreciation (as compared to Schedule II to the Act) on the same basis.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Note : 5 Assets held for sale

Groups of assets held for sale	March 31, 2022	March 31, 2021
Land freehold	115.20	376.65
Buildings	-	1,485.78
Total	115.20	1,862.43

Note : 6 Capital work in progress

	March 31, 2022	March 31, 2021
Machinery under erection	4,091.52	1,365.63
Civil works in progress	175.31	61.18
Total	4,266.83	1,426.81

Amount in capital work in progress for a period of

Particulars	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
As on 31.03.2022					
Project in progress	3,128.16	1,064.24	74.43	-	4,266.83
Projects temporarily suspended	-	-	-	-	-
Total	3,128.16	1,064.24	74.43	-	4,266.83
As on 31.03.2021					
Project in progress	1,355.32	42.12	-	29.37	1,426.81
Projects temporarily suspended	-	-	-	-	-
Total	1,355.32	42.12	-	29.37	1,426.81

Note : 7 Intangible assets as on March 31, 2022

Description	Gross carrying amount			Accumulated amortization			Net carrying amount			
	As on April 1, 2021	Additions	Adjustments/deletions	As on March 31, 2022	As on April 1, 2021	For the period	Adjustments/deletions	As on March 31, 2022	As on March 31, 2022	As on March 31, 2021
New product development expenditure (internally generated)	5,593.20	-	-	5,593.20	4,062.44	459.60	-	4,522.04	1,071.15	1,530.75
Power facility	96.16	-	-	96.16	96.16	-	-	96.16	-	-
Technical knowhow fee	1,019.73	-	-	1,019.73	965.48	31.00	-	996.48	23.25	54.25
Software development	991.50	-	-	991.50	836.61	154.89	-	991.50	0.00	154.88
Trade marks and other business intangibles	5.95	-	-	5.95	-	-	-	-	5.95	5.95
Total	7,706.54	-	-	7,706.54	5,960.69	645.49	-	6,606.18	1,100.36	1,745.84
Carrying value as at March 31, 2021	7,706.53	-	-	7,706.53	5,277.93	682.76	-	5,960.69	1,745.84	

Notes forming part of the Consolidated Financial Statements

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Note : 8 Intangible assets under development

Description	As on March 31, 2022	As on March 31, 2021
1) New product development expenditure (Internally generated)		
a) Battery products	920.51	363.48
b) Electronic products	2,302.39	1,852.50
2) Technical knowhow fee paid	643.33	643.33
Total	3,866.23	2,859.31

Amount in Intangible assets under development for a period of

Particulars	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
As on 31.03.2022					
Project in progress	1,259.96	699.99	391.97	1,514.30	3,866.23
Projects temporarily suspended	-	-	-	-	-
Total	1,259.96	699.99	391.97	1,514.30	3,866.23
As on 31.03.2021					
Project in progress	945.72	391.97	878.29	643.33	2,859.31
Projects temporarily suspended	-	-	-	-	-
Total	945.72	391.97	878.29	643.33	2,859.31

Note : 8A Equity accounted investments:

Gulf Batteries Company Ltd. (Joint venture company)

The group had a 40% interest in the entity which was involved in the manufacture of some of the groups' main product lines out side India. Upto the financial year ending March 31, 2017 the groups' interest in the entity was accounted for using the equity method in the consolidated financial statements. However for the reasons setout in note No. 45 the JV Company is not considered for consolidation for the current financial year.

Naval Systems and Technologies Private Limited (Associate Company)

The group has a 41% interest in the entity which is involed in providing services to foreign original equipment manufactures. The groups interest in the entity is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associate company along with reconciliation is set out below

Particulars	March 31, 2022	March 31, 2021
Current assets	2,148.41	1,801.66
Non current assets	486.09	206.58
Current liabilities	(755.47)	(288.92)
Non current liabilities	(0.43)	(0.52)
Equity	1,878.60	1,718.80
Proportion of the group's ownership	41%	41%
Carrying amount of the investment	770.23	704.71
Equity accounted investments		
	March 31, 2022	March 31, 2021
Gulf Batteries Company Ltd	-	-
Naval Systems and Technologies Private Limited	770.23	704.71
Total	770.23	704.71

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Note : 8B Share in Profit / (loss) of associate / Joint venture

Summarised statement of profit and loss of Gulf Batteries Company Ltd

As stated in Note 8A above and for the reasons setout in note No. 45 the JV Company is not considered for consolidation for the current financial year.

Summarised statement of profit and loss of Naval Systems and Technologies Private Limited

Particulars	March 31, 2022	March 31, 2021
Revenue	1,286.08	1,568.80
Cost of raw material and components consumed	(678.46)	(912.59)
Depreciation & amortisation	(4.18)	(3.94)
Finance cost	(14.63)	(13.63)
Employee benefits	(202.95)	(168.95)
Other expenses	(171.33)	(142.40)
Profit before tax	214.53	327.29
Proportion of the group's ownership	41%	41%
Group's share of profit / (loss) for the year	87.96	134.19

Share in Profit / (loss) of associate / joint venture

	March 31, 2022	March 31, 2021
Gulf Batteries Company Ltd	-	-
Naval Systems and Technologies Private Limited	87.96	134.19
Total	87.96	134.19

	March 31, 2022	March 31, 2021
Non - current - un-quoted		
i) In equity instruments: (fully paid-up)		
Number Face value Name of the entity		
Current year Previous year		
a) Subsidiary Companies		
9999500 9999500 ₹10 SCIL Infracon Private Limited	1,248.37	1,248.37
Less: Provision for impairment (refer note no. 45)	1,248.37	1,248.37
	-	-
a) Joint arrangement company		
1100000 1100000 SR 10 Gulf Batteries Company Limited (Kingdom of Saudi Arabia)	1,424.51	1,424.51
Less: Provision for impairment (refer note no. 45)	1,424.51	1,424.51
	-	-
Non -current - quoted		
a) Other companies (listed but not quoted)		
200 200 ₹10 Indian Lead Limited	0.10	0.10
Carrying value of non-current investments	0.10	0.10

Notes forming part of the Consolidated Financial Statements

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Current investments- quoted :

In Equity instruments of other companies: (Fully paid-up)

				March 31, 2022	March 31, 2021
Number		Face value	Name of the entity		
Current year	Previous year				
690	690	₹1	JSW Steel Limited	2.58	2.58

In liquid mutual funds: (Fully paid-up)

1	1	₹10	Reliance Mutual Fund Shares Liquid BEES	-	0.01
Total				2.58	2.59
Less : Aggregate provision for diminution in value of investments				-	-
Carrying value of current investments				2.58	2.59

9.1

	March 31, 2022		March 31, 2021	
	Non - current	Current	Non - current	Current
Aggregate amount of quoted investments	0.10	2.58	0.10	2.59
Aggregate market value of quoted investments	Not Available	5.05	Not Available	3.23
Aggregate amount of unquoted investments	-	-	-	-
Aggregate amount of Impairment / diminution in value of investments	2,672.88	-	2,672.88	-

Note : 10 Other financial assets

	March 31, 2022	March 31, 2021
Non-Current		
Bank deposits (maturity beyond 12 months)		
Fixed deposits	404.19	40.50
Margin money deposits	1,790.80	3,153.36
Security deposits with Government and others	858.89	1,440.51
Advances to employees	2.27	2.27
Total	3,056.15	4,636.63

Note : 11 Other non- current assets

	March 31, 2022	March 31, 2021
Capital advances	23.26	84.19
Total	23.26	84.19

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Note : 12 Inventories *

	March 31, 2022	March 31, 2021
Raw materials	15,331.09	14,701.88
Stores, spares, process chemicals, fuels & packing material	812.13	919.52
Stock -in-trade (in respect of goods acquired for trading)	26.25	957.07
Bonded stocks/In transit	894.33	434.98
Consumable tools	94.51	106.38
Work-in-progress	7,791.33	6,494.31
Finished goods	5,753.70	5,371.49
Total	30,703.34	28,985.63

12.1 *Inventories are valued as per accounting policy in note no. 3.6

Note : 13 Trade receivables

	March 31, 2022	March 31, 2021
Unsecured, considered good	29,266.01	25,371.61
Unsecured and having significant credit risk	589.47	356.56
	29,855.48	25,728.17
Allowance for credit risk	(589.47)	(356.56)
	29,266.01	25,371.61

Trade receivables aging schedule

Particulars	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	
As on 31.03.2022						
Undisputed - considered good	26,243.15	1,259.23	493.07	208.77	341.59	28,545.81
Undisputed-significant increase in credit risk	319.70	7.12	13.81	65.59	46.90	453.11
Undisputed - Credit impaired	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed-significant increase in credit risk	-	-	-	-	136.36	136.36
Disputed - credit impaired	-	-	-	-	-	-
Unbilled revenue	720.19	-	-	-	-	720.19
	27,283.05	1,266.35	506.88	274.36	524.85	29,855.48

As on 31.03.2021

Undisputed - considered good	23,654.46	333.85	523.80	90.93	515.12	25,118.17
Undisputed-significant increase in credit risk	-	0.57	-	17.94	28.05	46.55
Undisputed - credit impaired	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed-significant increase in credit risk	-	-	-	30.29	279.72	310.01
Disputed - credit impaired	-	-	-	-	-	-
Unbilled revenue	253.44	-	-	-	-	253.44
	23,907.90	334.42	523.80	139.16	822.89	25,728.17

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Note : 14

14.1 Cash and cash equivalents

	March 31, 2022	March 31, 2021
Balances with banks in current accounts	359.44	95.43
Balances with banks in cash credit accounts	2,265.35	1,486.92
Cash on hand	5.09	3.62
Fixed deposits (maturity of less than three months)	2,343.33	1,049.23
Total	4,973.22	2,635.20

14.2 Other bank balances

	March 31, 2022	March 31, 2021
Balances with banks in other current accounts	33.42	29.55
Fixed deposits	3,950.84	2,643.10
Margin money deposits	1,458.84	1,476.41
Dividend account	55.59	40.15
Total	5,498.69	4,189.21

14.3 Financial Assets - others (current)

	March 31, 2022	March 31, 2021
Security deposits with Government and others	195.47	71.40
Advances to employees	76.61	94.20
Claims & other receivables	472.21	393.95
Interest accrued but not due on deposits	356.70	182.14
Total	1,100.98	741.70

14.4 Claims and other receivables include :

	March 31, 2022	March 31, 2021
a) Insurance claim on account of heavy rainfall (Refer Note : 14.5)	95.16	95.16
b) Payments under protest for pending litigations	300.48	298.79
c) Other receivables	1.94	-
Total	472.21	393.95

14.5 During the year 2011-12, certain assets of the parent company were damaged due to heavy rainfall. The parent company had incurred ₹95.16 lakhs towards repairing the damages caused and was accounted for as claim recoverable. The cost of new assets acquired is capitalised. However, the claim is made for total cost of repairs and acquisition of assets, as the loss is covered under Re-instatement Policy which was in force. The total claim was repudiated by the Insurer and the parent company filed a suit for recovery. The matter is still sub-judice.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Note : 15 Current tax assets (net)

	March 31, 2022	March 31, 2021
Advance payment of income Tax (including TDS)	-	1,820.01
Less : Provision for income Tax	-	1,767.27
Total	-	52.74

Note : 16 Other current assets

	March 31, 2022	March 31, 2021
A) Advances other than capital advances:		
Advances to employees	64.72	47.81
Advances to vendors for supply of goods / services	2,021.13	1,241.09
B) Others:		
Prepaid expenses	274.40	300.83
Export incentives receivable	263.26	41.30
GST/Service tax input/VAT receivables	163.98	150.53
Capital advances	380.00	391.00
Total	3,167.49	2,172.55

Note : 17 Equity share capital

	March 31, 2022	March 31, 2021
Authorised		
31,25,00,000 Equity shares of ₹1 each	3,125.00	3,125.00
(Previous Year 31,25,00,000 Equity shares of ₹1 each)		
Issued, subscribed and fully paid-up		
27,71,94,946 Equity shares of ₹1 each	2,771.95	2,771.95
(Previous Year 27,71,94,946 Equity shares of ₹1 each)		
Total	2,771.95	2,771.95

17.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2022		March 31, 2021	
	No. of Shares	Value ₹	No. of Shares	Value ₹
Equity Shares				
At the beginning of the period	27,71,94,946	2,771.95	27,71,94,946	2,771.95
Additions during the period on account of Business Combination	-	-	-	-
Deductions during the period on account of Business Combination	-	-	-	-
Outstanding at the end of the period	27,71,94,946	2,771.95	27,71,94,946	2,771.95

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

17.2 Terms/rights attached to equity shares

The parent Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. The parent Company declares and pays dividends in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

17.3 Details of shareholders holding more than 5% shares in the company

Name of the Shareholder	March 31, 2022		March 31, 2021	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹1 each fully paid				
Promoter and Promoter group				
Barclays Wealth Trustees (India) Pvt Ltd -Trustees for Aluru Family Pvt Trust	14,18,17,643	51.16	14,11,41,643	50.92
Public				
BanyanTree Growth Capital LLC	2,34,69,551	8.47	2,89,83,735	10.46
Oman India Joint Investment Fund Management Company Pvt Ltd	2,58,42,240	9.32	2,68,42,240	9.68

17.4 Shares held by promoters at the end of the year

Sl no	Promoter Name	March 31, 2022		March 31, 2021		% change during the year
		No of Shares	% of Total shares	No of Shares	% of Total shares	
1	Dr. A J Prasad	26,92,827	0.97	24,25,243	0.87	0.10
2	A Uma Devi	9,50,397	0.34	9,50,397	0.34	-
3	M S S Srinath	19,56,920	0.71	19,56,920	0.71	-
4	Kavita Prasad	97,88,386	3.53	96,36,976	3.48	0.05
5	M Advay Bhagirath	39,17,600	1.41	39,17,600	1.41	-
6	M Deeksha	20,87,187	0.75	20,31,187	0.73	0.02
7	Barclays Wealth Trustees (India) Pvt Ltd - Trustee for Aluru Family Pvt Trust	14,18,17,643	51.16	14,11,41,643	50.92	0.24
8	Barclays Wealth Trustees (India) Pvt Ltd - Trustee for Mikkilineni Family Private Trust	2,53,134	0.09	1,22,000	0.04	0.05
	Total	16,34,64,094	58.96	16,21,81,966	58.50	0.46

Note : 18 Other equity - (refer statement of changes in equity)

	March 31, 2022	March 31, 2021
Capital reserve	1.02	1.02
Capital redemption reserve	2.70	2.70
Investment subsidy from state government	55.77	55.77
Securities premium account	23,010.66	23,010.66
General reserve	32,272.35	32,272.35
Retained earnings (balance of surplus in the statement of changes in equity)	28,794.01	20,408.71
Foreign currency translation reserve	(332.15)	(318.27)
Total	83,804.36	75,432.94

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Note : 19 Minority interest

	March 31, 2022	March 31, 2021
In share capital	20.00	
Share of profit/(loss) during the year	(19.26)	-
Total	0.74	-

Note : 20 Non- current - financial liabilities

20.1 Borrowings

	March 31, 2022	March 31, 2021
Term loans from banks (secured)		
ICICI Bank Ltd	2,727.27	1,000.00
HDFC bank Ltd. - against vehicles	38.63	11.55
Loan from others (Refer note - 20.5 (c))	-	41.60
Total	2,765.90	1,053.15

20.2 Lease liability

	March 31, 2022	March 31, 2021
Lease liability	1,052.83	956.79
Total	1,052.83	956.79

20.3 Current - financial liabilities

Borrowings (current maturities)

	March 31, 2022	March 31, 2021
Long term debt from banks (secured)		
ICICI Bank Ltd	272.73	-
HDFC bank Ltd. - against vehicles	24.00	13.39
Loan from others (Refer note - 20.5 (c))	43.15	40.29
Total	339.88	53.68

20.4 Current maturities of long term debt

Instalments due within 12 months from the date of Balance Sheet classified as current as shown above are disclosed in borrowings.

20.5 Term loans :

The particulars of loans drawn, nature of security, terms of repayment, rate of interest, instalments due and loan wise outstanding are as under.

a) Term loan from ICICI :

ICICI Bank sanctioned term Loan of ₹4,500.00 lakhs (drawn ₹3,000.00 lakhs) for Li-ion & Electronic Drive Train project. 1) The loan is secured by a first pari passu charge on present and future assets (movable or immovable) of the company alongwith other term lenders ; 2) All the loans are guaranteed by some of the promoters in their personal capacity.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Name of the bank	Loan amount drawn	No of instalments	% of interest	Outstanding as on March 31,2022
ICICI Bank	3,000.00	22 (QTLY) commencing from Oct 22	7.95	3,000.00

b) HDFC bank - vehicle loan

The Term loans are secured by exclusive hypothecation of vehicles acquired through execution of demand promissory notes and are repayable by equated monthly installments (EMIs') as per the loan schedule sanctioned by the bank.

c) HBL U.S.A

Represents loan in the form of note entered into with the State of Connecticut Department of Economic And Community Development, U.S.A., which is repayable in equal monthly installments totaling \$ 4688, and matures on October 1, 2022. The note is secured by the assets of the Company.

20.6 As on the balance sheet date, there were no continuing defaults in repayment of borrowings and interest.

Note : 21

21.1 Provisions (non - current)

	March 31, 2022	March 31, 2021
Provision for employee benefits		
Provision for earned leave encashment	199.41	199.50
Total	199.41	199.50

21.2 Provisions (current)

	March 31, 2022	March 31, 2021
Provision for employee benefits		
Provision for earned leave encashment	41.43	42.04
Provision for gratuity	234.24	265.98
Other provisions		
Provision for warranties	1,960.30	1,486.94
Provision for commission on profits to director	356.94	71.93
Total	2,592.91	1,866.90

Note : 22 Deferred tax liability (net)

	March 31, 2022	March 31, 2021
Deferred tax liability (as per last balance sheet)	1,226.15	1,222.19
Add: Deferred tax (asset)/liability for the year	(195.22)	3.97
Total	1,030.93	1,226.15

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Note : 23 Borrowings

	March 31, 2022	March 31, 2021
A) Loans repayable on demand from banks (secured)		
State Bank of India	-	750.00
ICICI Bank Ltd	-	500.00
Axis Bank Ltd	-	500.00
Total (A)	-	1,750.00
B) Loans repayable on demand from related parties (unsecured)		
Loan from director	-	411.00
Total (B)	-	411.00
C) Other loans from banks (unsecured)		
Purchase bill discounting from Kotak Mahindra Bank Ltd	445.98	256.87
Purchase bill discounting from HDFC Bank Ltd	-	33.17
Purchase bill discounting from Axis Bank Ltd	1,463.83	2,273.06
Total (C)	1,909.81	2,563.10
D) Current maturities of long-term debt(refer note - 20.3)	339.88	53.68
Total (A + B + C + D)	2,249.69	4,777.78

23.1 Working capital loans

The demand loans from Banks are secured by a first charge on all the chargeable current assets and by a second charge on the property, plant and equipment (both present and future) of the Company. All the loans are guaranteed by some of the promoters in their personal capacity.

23.2 Purchase bill discounting from Kotak Mahindra Bank Ltd. is guaranteed by some of the promoters of the Company in their personal capacity and undated cheque of the Company for the limit value. Purchase bill discounting from Axis Bank Ltd is guaranteed by some of the promoters in their personal capacity and undated cheque of the Company equivalent to limit/standing instructions for making payment on due date. Purchase bill discounting facility from HDFC Bank Ltd. has been closed during the year.

23.3 Loan from Directors is repayable on demand with interest. However, loan has been repaid during the year.

Note : 24 Lease liability

	March 31, 2022	March 31, 2021
Lease liability	192.27	206.57
Total	192.27	206.57

Note : 25 Trade payables

	March 31, 2022	March 31, 2021
Total outstanding dues of :		
Micro Enterprises & Small Enterprises (MESE)	908.18	937.51
Payables other than MESE	7,850.70	5,796.86
Total	8,758.88	6,734.37

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

25.1 Trade Payable aging schedule

Particulars	Outstanding for following periods from the date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31.03.2022					
(i) MSME	908.18	-	-	-	908.18
(ii) Others	6,848.58	50.99	29.70	26.99	6,956.26
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	0.11	-	-	0.11
(v) Liability for materials	894.33	-	-	-	894.33
Total	8,651.09	51.11	29.70	26.99	8,758.88
As on 31.03.2021					
(i) MSME	1,014.06	-	-	-	1,014.06
(ii) Others	5,203.27	34.67	9.29	23.42	5,270.65
(iii) Disputed dues- MSME	0.09	-	7.00	-	7.09
(iv) Disputed dues- Others	7.58	-	-	-	7.58
(v) Liability for materials	434.98	-	-	-	434.98
Total	6,659.98	34.67	16.29	23.42	6,734.36

Note : 26 Other financial liabilities - current

	March 31, 2022	March 31, 2021
Interest accrued but not due on loans	-	0.44
Unpaid/unclaimed dividends (refer note - 26.1)	55.59	40.15
Trade deposits	155.89	156.47
Creditors for capital expenditure	21.75	236.12
Invoice mart payables	2,345.33	2,537.54
Statutory dues	1,024.82	867.98
Directors' current account	113.99	146.66
Accrued compensations to employees	1,262.59	1,236.49
Total	4,979.95	5,221.85

26.1 Does not include any amount outstanding which is required to be credited to investor education and protection fund (IEPF).

Note : 27 Other current liabilities

	March 31, 2022	March 31, 2021
Advances against sales	1,870.04	1,098.37
Advance against sale of investments/assets	5.05	-
Un earned and deferred revenue	-	1,194.43
Accrued expenses	747.18	885.33
Total	2,622.27	3,178.12

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Note : 28 Current tax liabilities (net)

	March 31, 2022	March 31, 2021
Provision for income tax	4,767.27	-
Advance payment of income tax (including TDS)	4,528.23	-
Total	239.04	-

Note : 29 Revenue from operations

	March 31, 2022	March 31, 2021
a). Sale of products	1,13,550.53	82,836.76
b). Sale of traded goods	275.70	152.82
c). Sale of services	7,430.86	6,427.18
d). Other operating revenue - sale of scrap	2,363.93	1,787.11
Total	1,23,621.02	91,203.86

Note : 29 Other income

	March 31, 2022	March 31, 2021
a) Interest income		
Interest received on deposits with banks/others	523.45	440.02
Interest on IT refunds	147.90	16.05
b) Other non-operating income (net of directly attributable expenses)		
Exchange gains	572.70	409.38
Miscellaneous income (including Gain / Loss on termination / Modification of leases)	193.35	97.45
Total	1,437.40	962.91

Note : 31 Cost of material consumed

	March 31, 2022	March 31, 2021
Opening stocks	14,701.88	14,720.21
Purchases, material, components & consumables	76,482.99	55,267.42
	91,184.87	69,987.63
Less : Closing stocks	15,331.09	14,701.88
	75,853.78	55,285.75
Less : Internal capitalisation	3.16	28.33
Cost of material consumed	Total 75,850.62	55,257.42

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Note : 32 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	March 31, 2022	March 31, 2021
a) Manufactured goods		
i) Opening stocks		
a) Semi finished goods	6,494.31	7,270.09
b) Finished goods	5,371.49	4,982.17
Total (A)	11,865.80	12,252.26
ii) Closing stocks		
a) Semi finished goods	7,791.33	6,494.31
b) Finished goods	5,753.70	5,371.49
Total (B)	13,545.03	11,865.80
(Increase) / Decrease (C = A - B)	(1,679.23)	386.46
b) Traded Goods		
Opening stock of traded goods	957.07	1,299.41
Closing stock of traded goods	26.25	957.07
(Increase) / Decrease (D)	930.82	342.34
(Increase) / Decrease in inventory (C+D)	(748.41)	728.80

Note : 33 Employee benefits expense:

	March 31, 2022	March 31, 2021
Salaries & bonus	7,951.81	6,813.61
Contribution to provident & other funds	592.27	544.34
Gratuity	184.64	116.42
Staff welfare expenses	749.07	553.21
Recruitment & training	13.39	8.97
Remuneration to directors:		
Salaries & allowances	129.46	94.93
Contribution to provident fund	9.89	10.10
Commission on profits	356.94	71.93
Directors sitting fees	3.50	3.80
Total	9,990.97	8,217.32

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Note : 34 Finance cost

	March 31, 2022	March 31, 2021
Interest on term loans	157.48	44.42
Interest on bank borrowings	47.60	601.55
Interest on vehicle loans	3.41	1.70
Interest on unsecured loans	18.33	47.61
Interest on lease liability	117.69	122.64
Interest - others	88.80	51.76
Bank charges & commission	471.75	602.12
	905.07	1,471.80
Less: Transfers to pre-operative expenses	157.48	0.44
Total	747.59	1,471.36

Note : 35 Depreciation and amortization expense

	March 31, 2022	March 31, 2021
Depreciation on tangible assets	2,692.39	2,952.39
Amortisation on intangible assets	645.48	682.77
Amortisation on right of use assets	170.55	245.91
Total	3,508.42	3,881.07

Note : 36 Manufacturing expenses

	March 31, 2022	March 31, 2021
Stores & spares consumed	1,774.85	1,240.81
Equipment lease rentals	35.88	34.41
Factory rent	-	-
Consumable tools charged off	105.85	106.75
Contract wages	7,787.26	6,294.96
Testing charges	106.46	209.78
Power and fuel	4,244.46	3,653.26
Total	14,054.77	11,539.97

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Note : 37 Administrative and selling expenses

	March 31, 2022	March 31, 2021
(A) Administrative expenses		
Rent	148.76	138.28
Rates, duties & taxes	124.82	130.90
Insurance	359.19	255.18
Professional & consultancy charges	570.30	907.81
Expenditure incurred on corporate social responsibility activities	102.03	105.01
Repairs and maintenance	986.14	832.97
Travelling and conveyance	967.52	639.77
Sundry expenses	946.16	752.42
Payments to auditors	51.68	46.30
Audit expenses	0.72	0.33
Advances & deposits written off	69.51	15.51
Preliminary expenses	4.74	-
Total	4,331.57	3,824.50
(B) Selling expenses		
Freight & insurance on sales	3,363.78	2,807.07
Commission on sales	276.44	99.03
Liquidated damages	374.51	28.81
Credit impairment	291.25	557.80
Lifetime expected credit loss	453.11	356.56
Provision for warranties	479.07	172.68
Installation charges paid	311.15	229.10
Televan hire charges	0.36	6.19
Other selling expenses	483.95	360.29
Total	6,033.61	4,617.53

Note : 38 Exceptional items of (income)/expenditure

	March 31, 2022	March 31, 2021
Loss on fire accident	43.00	-
Impairment / diminution In value of investments	-	(1.57)
(Profit)/loss on sale of assets	(1,961.99)	(132.45)
Assets written off	839.03	673.73
Shifting/relocation expenses	6.94	-
Total	(1,073.01)	539.71

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Note : 39

Disclosure as per Ind AS - 33 Earnings Per Share (EPS) - Face value of share : ₹ 1/- each Computation of EPS (Basic & Diluted)

	March 31, 2022	March 31, 2021
Profit before OCI	9,371.00	1,372.66
Profit after OCI	9,292.05	1,231.00
No. of shares (basic)	27,71,94,946	27,71,94,946
No. of shares (diluted)	27,71,94,946	27,71,94,946
EPS Before OCI		
Basic ₹	3.38	0.50
Diluted ₹	3.38	0.50
EPS after OCI		
Basic ₹	3.35	0.44
Diluted ₹	3.35	0.44

Note : 40 Disclosure as per schedule III of the act and Ind AS-37 on provisions, contingent liabilities and contingent assets :

40.1 Movement of provisions during the year 2021-22

Particulars	Provision for warranties
a) the carrying amount at the beginning of the period	1,486.94
b) additional provisions made in the period, including increases to existing provisions	1,568.32
c) amounts reversed on completion of warranty period	(1,019.32)
d) unused amounts reversed during the period	-
e) the increase during the period in the discounted amount arising from the passage of time and the effect of any change in the discount rate.	(75.64)
f) the carrying amount at the end of the period ;	1,960.30

Unused amounts of provision for warranties represents provision reversed from the opening balance (after warranty period). It is expected that provision for warranties will be incurred in the next 12 to 60 months. Actual expenditure incurred during warranty period towards replacements etc. is charged off under respective heads of expenditure

40.2 Contingent liabilities not provided for and commitments:

All known and undisputed claims and liabilities where there is a present obligation as a result of past events and it is probable that there will be an outflow of resources, have been duly provided for. The contingent liabilities and commitments are as under:

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Nature of contingent liability	March 31, 2022	March 31, 2021
i) Contingent liabilities not provided for:		
HBL Power Systems Limited		
a) Claims against the Company not acknowledged as debts towards :		
Excise duty	2,585.23	415.31
Sales tax	673.98	728.40
Custom duty	488.70	488.70
Service tax	194.90	132.48
Goods and service tax	16.98	15.41
Property tax	242.03	134.25
Fuel surcharge adjustment	231.95	228.08
Erstwhile promoters of SCIL Infracon Private Limited *	188.31	188.31
Others	361.84	80.47
b) Un-expired guarantees issued on behalf of the Company by banks for which the Company gave counter guarantees	13,156.49	16,000.86
HBL Power Systems Limited		
ii) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,269.91	695.52

* The civil suit filed by erstwhile promoters, of SCIL Infracon Private Limited, was dismissed. However, on 17 July 2020 the Hon'ble High Court at Hyderabad appointed a sole arbitrator. Subsequently, the claimants then filed a fresh petition with the arbitrator, wherein several new claims were made against the Company and others. In the opinion of the company's legal counsel, the petitioners' grounds are weak and all the claims made by them are baseless, vexatious and frivolous, since they are in utter distortion of facts. The Company does not recognize any of these said claims and deny all of them out right. The matter is still under the process of arbitration hearing. In view of the above, as the management is confident of the matter being decided in their favour, the said fresh claims are not reported under contingent liabilities.

The group has other commitments, for purchase / sale orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits in the normal course of business. The group does not have any long term commitments or material non-cancellable contractual commitments / contracts, which might have material impact on the financial statements.

40.3 Commitment towards dividend

The Board of the parent Company in its meeting held on May 26, 2022 has recommended a dividend of ₹ 0.40 ps per Equity Share of ₹ 1/- each for the financial year ended March 31, 2022. The recommendation is subject to the approval of shareholders at the ensuing annual general meeting, and if approved would result in a cash outflow of ₹ 1,108.78 lakhs towards dividend.

Notes forming part of the **Consolidated Financial Statements**

for the year ended March 31, 2022

39.4 Contingent assets:

During the year 2011, some assets at one of the plants of the parent Company, were damaged due to heavy rains. The parent Company's claim for the loss was repudiated by the insurers. A case was filed for recovery of the claim of ₹.234.60 lakhs towards loss suffered apart from interest thereon. The matter is sub judice.

During the year 2014, there was a heavy damage to the assets and inventory at two plants of the parent Company, due to hud-hud cyclone. The Company's claim for the resultant losses was partly allowed by the insurer and the balance claims were repudiated. The matter relating to the claim of ₹ 400 lakhs towards damage to assets and inventory and ₹ 921.75 lakhs towards loss of profits, apart from interest thereon, on being referred to arbitration was partly awarded infavour of the parent company. Subsequently on an appeal by the insurer further proceedings of arbitration were stayed by the Commercial Court. The matter is sub judice.

During the year, there was a heavy damage to the assets and inventory at one of the plants of the parent Company, on account of fire accident. The parent Company lodged a claim towards the resultant losses. Pending acceptance and settlement of the claim by the insurers, the value of damaged inventory and assets (net of salvage value) to the tune of ₹43.00 lakhs is charged off as an expenditure under exceptional item.

Note : 41 Income tax and Sales tax assessments:

Taxes were paid in accordance with income tax returns filed and were charged off to revenue. In respect of pending assessments, the liability, if any, that may arise upon completion of assessments is not ascertainable at this stage. During the year, in the income tax assessments, there were no transactions that were not recorded in the books of accounts but have been surrendered or disclosed as income.

Note : 42 Confirmation of balances

The parent Company had sent letters seeking confirmation of balances to various parties under trade payables, trade receivables, advance to suppliers and others, advance from customers. Based on the confirmations received and upon proper review, corrective actions have been initiated and the amounts have been tried up, accounting adjustments have been made wherever found necessary. Such confirmations are awaited from some parties, comprising of government departments and public sector undertakings.

Note : 43

42.1 In the opinion of the board, assets other than fixed assets and non-current investments have a value, on realisation in the ordinary course of business, which is at least equal to the amount at which they are stated in the financial statements.

43.2 The company has utilized the borrowings from banks and financial institutions for the specific purpose for which it was taken.

43.3 In respect of borrowings from banks and financial institutions, the quarterly returns or statements of current assets filed by the company are in agreement with the books of accounts.

43.4 Relationship with Struck off Companies:

The Company has attempted machine matching of the names of its active customers/vendors with the list of "Struck Off companies" hosted in the MCA website. Since no matches were found during this exercise, there are no transactions / relationships to report.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Note : 44 Disclosures as prescribed by Indian Accounting Standard (Ind AS)

44.1 Disclosure as per Ind AS - 2 - Inventories

During the year ended March 31, 2022, ₹ 1.01 lakhs (March 31, 2021, ₹ 52.55 lakhs) was recognised as an expense in respect of inventories carried at net realisable value in the statement of profit and loss.

43.2 Disclosure as per Ind AS - 7

Statement of reconciliation for changes in liabilities arising from financing activities.

	Long-term borrowings	Working capital borrowings	Unsecured loans
Opening balance	1,106.83	4,313.10	411.00
Borrowed during the year	2,056.94	-	-
Repaid during the year	(57.99)	-	(411.00)
Net movement	1,998.95	(2,403.28)	(411.00)
Closing balance	3,105.78	1,909.81	0.00

44.3 Disclosure as per Ind AS -12 - Income tax

a) A Reconciliation of the Income tax provision to the amount computed by applying the statutory income tax rate to the Income before income tax is summarized as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax	12,240.32	1,942.18
Current tax @ 25.168% (A)	3,098.00	490.00
Effect of unused tax losses of subsidiaries / associates	96.17	(34.12)
Others	132.51	(45.41)
Total (B)	228.68	(79.53)
Income tax expense recognised in statement of profit and loss (A - B)	2,869.32	569.53

b) The income tax on other comprehensive income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Income tax benefit arising on income / (expense) recognised in other comprehensive income		
Tax on remeasurement of defined benefit plan	(28.36)	(49.10)
Others	(4.67)	1.46
Income tax benefit recognised in other comprehensive income	(33.03)	(47.64)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

c) Details of income tax assets and Income tax liabilities are as follows:		
	March 31, 2022	March 31, 2021
Advance tax / MAT credit / TDS	4,528.23	1,820.01
Provision for income tax	(4,767.27)	(1,767.27)
Asset / (liability)	(239.04)	52.74

d) The gross movement in the current income tax asset / (liability) is as follows:		
	March 31, 2022	March 31, 2021
Net current income tax asset / (liability) at the beginning	52.74	471.31
Add : income tax paid / adjusted (Net of refunds received)	(3,320.08)	290.76
Less Provision for current tax	(3,028.31)	(709.34)
Net current income tax asset / (liability) at the end	(239.04)	52.74

e) The tax effects of significant temporary differences that resulted in deferred income tax asset and liability are as follows:		
	March 31, 2022	March 31, 2021
Deferred tax liability		
Property, Plant and Equipment	1,370.09	1,370.09
Total	1,370.09	1,370.09
Deferred tax asset		
Employee benefits	60.61	60.79
Provision for bad debts	148.36	89.74
Other comprehensive income	(4.67)	1.46
Others	134.90	(8.05)
Total	339.21	143.94
Deferred tax liability after set off of deferred tax asset	1,030.88	1,226.15

f) The gross movement in the deferred income tax account is as follows:		
	March 31, 2022	March 31, 2021
Net deferred tax liability at the beginning	1,226.15	1,222.19
Credit / (charge) relating to temporary differences	(195.26)	3.96
Net deferred income tax liability) at the end	1,030.88	1,226.15

44.4 Disclosure as per Ind AS-116 - Leases

(i) Transition from Ind AS 17

- a) The group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019).

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- b) The group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application. The group has used a single discount rate to a portfolio of leases with similar characteristics.
- c) On transition, the group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application using the practical expedient provided by the standard.

(ii) The details of the Right-of-use asset held by the Company is as follows:

in Lakhs

Description	Leasehold Land	Buildings	Total
Gross carrying amount			
As on April 01, 2021	643.82	812.43	1,456.25
Additions/Adjustments		193.31	193.31
As on March 31, 2022	643.82	1,005.74	1,649.56
Accumulated amortization			
As on April 01, 2021	67.68	395.61	463.29
For the period	34.69	135.85	170.54
As on March 31, 2022	102.37	531.46	633.83
Net carrying amount			
As on March 31, 2022	541.45	474.28	1,015.73
As on March 31, 2021	576.14	416.82	992.96

(iii) Lease liabilities:

	March 31, 2022	March 31, 2021
Opening balance	1,163.36	1,085.75
Additions/Adjustments	201.23	206.5
Interest for the year	117.69	122.65
Cash outflow for leases	237.18	251.54
Closing balance	1,245.10	1,163.36
Current lease liability	176.89	176.89
Non-current lease liability	1,068.21	986.47

(iv) The group incurred ₹ 176.30 lakhs for the year ended March 31, 2022 (Previous year ₹ 171.88 lakhs) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹ 413.47 lakhs for the year ended March 31, 2022, including cash outflow for short term and low value leases.

(v) Lease contracts for land & building entered by the group are primarily to conduct its business in the ordinary course.

Notes forming part of the Consolidated Financial Statements

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44.5 Disclosure as per Ind AS-19 -Employee benefits

a) Defined contribution plan:

Contribution to defined contribution plan, recognised as expense for the year are as under:

	March 31, 2022	March 31, 2021
Employer's contribution to PF/ESI/ pension plan	602.17	554.45

b) Defined benefit plan:

(i) Gratuity obligation of the Company :

To cover the employer's obligation towards gratuity, under the Payment of Gratuity Act, the Company has obtained actuarial valuation of the said liability. As per the valuation made under Projected Unit Credit method by the Actuary, the fund required to be maintained, to cover the present value of past service benefit and current service cost, is fully funded/provided for by the Company. To meet the actual liability, the company has taken a Group Gratuity Policy of the LIC of India and to keep the policy alive, the Company also paid the annual risk premium and recognised it as expense for the year.

Assets and liability (balance sheet position)

Particulars	March 31, 2022	March 31, 2021
Present value of obligation	2,021.43	1,860.34
Fair value of plan assets	1,788.16	1,595.28
Surplus / (deficit)	(233.27)	(265.05)
Effects of asset ceiling, if any	-	-
Net asset/(liability)	(233.27)	(265.05)

Expense recognized during the period (including premium paid)

Particulars	March 31, 2022	March 31, 2021
In income statement (P&L a/c--expense provision)	184.64	116.42
In other comprehensive income (B/sheet item)	(112.67)	(195.09)

Characteristics of defined benefit plan and risks associated with it

Actuarial valuation method

The valuation has been carried out using the PUC method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost and, where applicable, past service cost and where applicable, past service cost.

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The benefits valued

The benefit valued in this report are summarised below:

Type of plan	Defined benefit
Employer's contribution	100%
Employees' contribution	Nil
Salary for calculation of gratuity	Last drawn salary
Normal retirement age	58
Vesting period	5 Years
Benefit on normal retirement	Same as per the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time).
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service upto the date of exit.
Benefit on death in service	Same as normal retirement benefit and no vesting period condition applies.
Limit	₹ 2000000
Gratuity formula	$(15/26) \times \text{last drawn salary} \times \text{number of completed years}$

Effect of any amendments, curtailments and settlements - not applicable in this case.

Explanation of amounts in financial statements

Changes in the present value of obligation

Particulars	For the period ending	
	March 31, 2022	March 31, 2021
Present value of obligation as at the beginning	1,860.34	1,639.23
Current service cost	70.46	64.88
Interest expense or cost	125.85	110.98
Actuarial (gains) / loss on obligations	124.20	210.49
Past service cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits paid	(159.42)	(165.24)
Acquisition adjustment	-	-
Effect of business combinations or disposals	-	-
Present value of obligation as at the end	2,021.43	1,860.34
Bifurcation of net liability		
Current liability (short term)	286.73	214.58
Non-current liability (long term)	1,734.70	1,645.76
Net liability	2,021.43	1,860.34

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Changes in the fair value of plan assets

	March 31, 2022	March 31, 2021
Fair value of plan assets as at the beginning	1,595.28	1,343.43
Acquisition adjustment	(42.30)	5.26
Expected return on plan assets	107.92	90.95
Contributions	275.00	306.00
Benefits paid	(159.42)	(165.24)
Actuarial gain/(loss) on plan assets	11.68	14.88
Fair value of plan assets as at the end	1,788.16	1,595.28

Other comprehensive income	March 31, 2022	March 31, 2021
Actuarial (gains) / losses - change in demographic assumptions	-	-
Actuarial (gains) / losses - change in financial assumptions	(56.06)	0.82
Actuarial (gains) / losses - experience variance	180.27	209.68
Actuarial (gains) / loss on obligations	124.20	210.49
Actuarial (gains) / loss on plan assets	11.68	14.88
Total Other Comprehensive Income(OCI)	112.52	195.61

(ii) Long term compensated absences - leave encashment:

The present value of obligation for long term compensated absences is determined on actuarial valuation using Projected Unit Credit method (PUC) and is charged to Profit and Loss account. The obligation is not funded.

Assets and liability (balance sheet position)

Particulars	March 31, 2022	March 31, 2021
Present value of obligation	240.84	230.78
Fair value of plan assets	-	-
Surplus / (deficit)	(240.84)	(230.78)
Effects of asset ceiling, if any	-	-
Net asset/(liability)	(240.84)	(230.78)

Expense recognized during the period

Particulars	March 31, 2022	March 31, 2021
In Income statement (P&L - expense provision)	37.98	27.84

Actuarial Valuation Method

The valuation has been carried out using the Projected Unit Credit Method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost and, where applicable, past service cost.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

The benefits valued

The benefit valued in this report are summarised below:

Type of Plan	Long term benefit
Employer's contribution	100%
Employees' contribution	NIL
Salary for calculation of leave encashment benefit	Last drawn salary
Normal retirement age	58
Vesting period	Not applicable
Benefit on normal retirement	Leave Salary (Gross Salary) subject to a maximum of 30 days' salary
Benefit on early retirement / termination / resignation / withdrawal	As above
Benefit on death in service	As above
Limit	Yes
Benefit formula	No. of days' leave encashable x last drawn salary

Changes in the present value of obligation

Particulars	March 31, 2022	March 31, 2021
Present value of obligation as at the beginning	230.78	202.94
Current service cost	27.25	26.13
Interest expense or cost	15.61	13.74
Actuarial (gain)/ loss on obligations	(4.88)	(12.03)
Past service cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits paid	(27.93)	-
Acquisition adjustment	-	-
Effect of business combinations or disposals	-	-
Present value of obligation as at the end	240.83	230.78

Bifurcation of net liability

Particulars	March 31, 2022	March 31, 2021
Current liability (short term)	41.43	31.28
Non-current liability (long term)	199.40	199.50
Net liability	240.83	230.78

Changes in the fair value of plan assets

Particulars	March 31, 2022	March 31, 2021
a) Fair value of plan assets at the start:	-	-
b) Acquisition adjustments	-	-
c) Expected return on plan assets	-	-
d) Contributions	27.93	-
e) Benefits paid	(27.93)	-
f) Actuarial gain /(loss) on plan assets	-	-
g) Fair value of plan assets as at the end	-	-

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44.6 Disclosure as per Ind AS -21 - The effects of changes in foreign exchange rates

	March 31, 2022	March 31, 2021
Exchange differences arising out of settlement / translation on account of :		
a) Exports	347.21	154.54
b) Imports	223.46	253.25
c) Others	2.03	1.58
Net gain (loss) recognised during the year	572.70	409.38

44.7 Disclosure as per Ind AS- 24 - Related party disclosures

1	Joint arrangement	Gulf Batteries Company Limited, Kingdom of Saudi Arabia	
2	Associate Companies	Naval Systems & Technologies Private Limited	
4	Investors of Subsidiaries	Shakti Concrete Industries Limited (SCIL)	
5	Partners of Joint Venture Company	Abdullah Hamoud Al Shuwayer Sons Trading Company Advance Electronic Company Limited	
6	Key Management Personnel	Dr A J Prasad	Chairman & Managing Director
		Kavita Prasad	Whole time Director
		M Advay Bhagirath	Non-Executive Director- w.e.f 21.06.2021
		M S S Srinath	President
		K Sridharan	Chief financial officer
		M V S S Kumar	Company secretary
		N. Prabhakar Murthy	Director of SCIL Infracon Private Limited
		K. Gyan Sagar	Former promoter and Director of SCIL
		Cmdr. Arvind Sharma (Retd.)	CEO / Director of Associate Company
		Non-Executive Directors	
		P. Ganapathi Rao	Independent Director
		Preeti Khandelwal	Independent Director
		K Venkat Sriram	Independent Director
		Richa Datta	Independent Director
		Dr Ramanujulu Nandakumar Ramnath	Independent Director w.e.f 13.08.2021
		Ajay Bhaskar Limaye	Non- Executive Director up to 13.04.2021
		Abhishek G Poddar	Non- Executive Director up to 21.06.2021

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Disclosure of transactions with related parties and the status of outstanding balances.

Sl. No	Name	Nature of transaction	Transactions during the year	As on March 31, 2022	
				Gross trade receivables (un-secured)	Gross trade payables
2	Key management personnel	Funds repaid	411.00	-	-
			(150.00)	-	(411.00)
		Remuneration paid	247.01	-	
			(173.74)		
		Commission on profits	356.94	-	474.08
			(71.93)		(221.45)
		Rent paid	8.50	-	
			(7.73)		
		Interest paid	18.33	-	
			(47.61)		
		Sitting fee paid to non-executive directors	3.50	-	-
			(3.80)	-	-

Figures in brackets represent previous year balances

44.8 Disclosure as per Ind AS-108 - Operating segments

The group's operations include batteries of different types, electronics, railway signalling contracts etc. Except for batteries and electronics, the segment revenue, segment results and segment assets and liabilities of other activities are individually below the threshold limit set out in paragraph 27 of Ind AS 108. Accordingly batteries and electronics segments are shown separately as reportable segments and others are included in un-allocated segment.

- 1) Business segments: batteries and electronics segments have been considered as primary business segments for reporting under Ind AS 108 - operating segments issued by Ministry of Corporate Affairs. .
- 2) In the opinion of the management the other segments being railway signalling contracts and others are not reportable business segments of the group as per paragraph 27 of Ind AS 108 - operating segments

	March 31, 2022		March 31, 2021	
Segment revenue				
Batteries				
Exports	23,736.61		15,689.58	
Domestic sales	86,206.08	1,09,942.69	65,039.32	80,728.90
Electronics				
Exports	1,502.16		1,063.23	
Domestic sales	9,544.36	11,046.52	8,020.44	9,083.67
Unallocated				
Exports	-		-	
Domestic sales	3,149.14	3,149.14	1,886.08	1,886.08
Total		1,24,138.35		91,698.65
Less : Inter-segment revenue		517.32		494.80
Net revenue		1,23,621.03		91,203.85

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	March 31, 2022		March 31, 2021	
Identifiable operating expenses				
Batteries	89,383.07		68,942.17	
Electronics	8,323.57		6,875.34	
Unallocated	5,159.66	1,02,866.30	4,088.15	79,905.66
Allocated expenses				
Batteries	4,196.03		3,862.93	
Electronics	1,011.47		1,148.10	
Unallocated	1,100.25	6,307.75	807.37	5,818.40
Segment operating income		14,446.97		5,479.79
Unallocable expenses		4,057.43		2,623.63
Operating profit		10,389.54		2,856.16
Other Income		1,437.40		962.90
Profit before Interest and Exceptional		11,826.94		3,819.06
Exceptional Items - Income/(Expenses)		1,073.01		(539.71)
Interest Expenses		747.59		1,471.36
Share in Profit / (Loss) of Associate / Joint Venture		87.96		134.19
Profit before Income taxes		12,240.32		1,942.20
Income tax expenses		2,869.32		569.52
Net profit		9,371.00		1,372.68
Segment depreciation(including amortisation of intangible assets)				
Batteries		2,212.10		2,437.27
Electronics		500.98		500.09
Unallocated		795.34		943.71
Total		3,508.42		3,881.07
Segment assets				
Batteries		70,605.18		67,658.32
Electronics		18,076.08		15,670.19
Unallocated		24,579.87		20,297.56
Total Assets		1,13,261.13		1,03,626.07
Segment liabilities				
Batteries		15,121.74		12,942.35
Electronics		2,358.71		3,182.76
Unallocated (includes Term Loans and Bank Loans)		7,934.40		9,296.07
Total Liabilities		25,414.85		25,421.18

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44.9 Financial Instruments

A) Capital management

The group manages its capital structure and make adjustments to it, in light of changes in economic condition. To maintain or adjust the capital structure, the group may adjust the dividend payment to Shareholders, return capital to Shareholder, or issue new shares. No changes were made in the objectives, policies and procedures in the past three years.

The group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group includes within net debt, borrowings, trade and other payables, other liabilities, less cash and cash equivalents. capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders.

B) Financial instruments by category

The carrying and fair value of financial instruments by categories as of March 31, 2022 were as follows:

(₹ in lakhs)

Particulars	March 31, 2022			March 31, 2021		
	Amortised cost	Total carrying value	Total fair value	Amortised cost	Total carrying value	Total fair value
Assets :						
Cash cash equivalents	4,973.22	4,973.22	4,973.22	2,635.20	2,635.20	2,635.20
Other bank balances	5,498.69	5,498.69	5,498.69	4,189.21	4,189.21	4,189.21
Investments in others	2.68	2.68	7.73	2.69	2.69	2.69
Trade receivables	29,266.01	29,266.01	29,266.01	25,371.61	25,371.61	25,371.61
Other financial assets	4,157.13	4,157.13	4,157.13	5,378.32	5,378.32	5,378.32
Total	43,897.73	43,897.73	43,902.78	37,577.03	37,577.03	37,577.03
Liabilities :						
Trade payables	8,758.88	8,758.88	8,758.88	6,734.37	6,734.37	6,734.37
Borrowings	5,015.59	5,015.59	5,015.59	5,830.93	5,830.93	5,830.93
Lease liability	1,245.10	1,245.10	1,245.10	1,163.36	1,163.36	1,163.36
Other financial liabilities	4,979.95	4,979.95	4,979.95	5,221.85	5,221.85	5,221.85
Total	19,999.52	19,999.52	19,999.52	18,950.50	18,950.50	18,950.50

44.9B Financial Instruments

B) Financial risk management

Financial risk factors

The group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The management, review and design policies and procedures to minimise potential adverse effects on its financial performance. The primary market risk to the group is foreign exchange risk. The group's exposure to credit risk is influenced mainly by the customers' repayments. The group's exposure to liquidity risks are on account of interest rate risk on borrowings. The following sections provide details regarding the group's exposure to the above mentioned financial risks and the management thereof.

Market risk

The group operates internationally and a portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales and services in those countries. The exchange rate between

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the local and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the group's operations are affected as the local currency appreciates/ depreciates against these foreign currencies. The group leaves exchange rate risk with regard to foreign exposures unhedged when the local currency is depreciating against the foreign currency and hedges this risk when the local currency is appreciating against the foreign currency. Currently the foreign exchange risk of the group is covered through natural hedge and the group uses the foreign currency denominated accounts to mitigate the exchange rate variation.

Analysis of foreign currency risk from financial instruments as of March 31, 2022 :

(₹ in Lakhs)

Particulars	U.S.dollars	Euro	GBP	Total
Trade receivables	74.96	23.43	0.74	99.13
Other financial assets	-	-	-	-
Trade payables	(20.01)	(2.19)	(0.15)	(22.35)
Other financial liabilities	(1.14)	(0.33)	-	(1.47)
Net assets/(liabilities)	53.81	20.91	0.59	75.31

Analysis of foreign currency risk from financial instruments as of March 31, 2021 :

Particulars	U.S.dollars	Euro	GBP	Total
Trade receivables	52.99	15.25	6.01	74.25
Other financial assets	-	-	-	-
Trade payables	(8.45)	(4.72)	(0.22)	(13.39)
Other financial liabilities	(0.97)	(0.52)	-	(1.49)
Net assets/(liabilities)	43.57	10.01	5.79	59.37

For the year ended March 31, 2022 and March 31, 2021, the depreciation / appreciation in the exchange rate between the Indian rupee and respective unhedged foreign currency exposures, has resulted in incremental operating margins by approximate ₹ 572.70 lakhs and ₹ 409.38 lakhs respectively.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 29,266.01 lakhs and ₹ 25,371.61 lakhs as of March 31, 2022 and March 31, 2021, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and overseas. Credit risk has always been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers :

Particulars	March 31, 2022	March 31, 2021
Revenue from top customer	5.62%	4.55%
Revenue from top five customers	18.95%	18.13%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2022 was ₹ 589.47 lakhs. The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2021 was ₹ 356.56 Lakhs.

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Particulars	March 31, 2022	March 31, 2021
Balance at the beginning	356.56	813.59
Lifetime expected credit loss	744.36	912.12
Credit Impairment	(511.45)	(1,369.15)
Balance at the end	589.47	356.56

Credit risk on cash and cash equivalents is limited as the group generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies with no history of default.

The bank balances held by the foreign subsidiaries of HBL Power Systems Limited are generally within the insured limits of respective applicable laws.

Liquidity risk

The group's principal sources of liquidity is cash and cash equivalents and the cash flow that is generated from operations. The group also has long term and short term borrowings from banks and financial institutions. Term loans are project specific and for refinancing of capital expenditures. Short term loans repayable on demand from banks and are obtained for the working capital requirements of the group.

As of March 31, 2022, the group had a working capital of ₹ 53,089.83 lakhs including cash and cash equivalents of ₹ 4,673.22 lakhs . As of March 31, 2021, the group had a working capital of ₹ 42,165.64 lakhs including cash and cash equivalents of ₹ 2,635.59 lakhs .

As of March 31, 2022 and March 31, 2021, the outstanding gratuity and compensated absences were ₹ 474.11 lakhs and ₹ 507.52 lakhs, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of the group's financial instruments will fluctuate because of the change in market interest rates. The group is exposed to interest rate risks as it has significant interest bearing loans from banks and financial institutions. These fluctuations are managed through negotiated and prefixed interest rates on term loans enabling the management to plan its future financial commitments and exposures. Short term loans repayable on demand are a subject to prevailing market rate fluctuations and sanctioned facilities are availed on a need to borrow basis to ensure minimum exposure to interest rate fluctuations.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022 :

Particulars	< 1 year	1-2 years	> 2 years	Total
As on March 31, 2022				
Trade payables	8,758.88	-	-	8,758.88
Long term borrowings	339.87	570.39	2,195.51	3,105.78
Short term borrowings	1,909.81	-	-	1,909.81
other financial liabilities (excluding borrowings from banks and financial institutions)	4,979.95	-	-	4,979.95
As on March 31, 2021				
Trade payables	6,734.37	-	-	6,734.37
Long term borrowings	53.68	144.06	909.09	1,106.83
Short term borrowings	4,724.10	-	-	4,724.10
Other financial liabilities (excluding borrowings from banks and financial institutions)	6,385.21	-	-	6,385.21

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for the year ended March 31, 2022

Note : 45

a) **Subsidiary, Associate and Joint Venture Company(ies) considered / not considered in the preparation of the CFS.**

Name of Entity	Principal place of business	Country of incorporation	Ownership interest & voting right	
			March 31, 2022	March 31, 2021
Considered for CFS:				
Subsidiary Companies				
HBL Germany GMBH	Zwickau	Germany	100%	100%
HBL America Inc.	Connecticut	U.S.A.	100%	100%
Torquedrive Technologies Private Limited (including stepdown subsidiary M/s.TTL Electric Fuel Private Limited)	Hyderabad	India	100%	-
Associate Company				
Naval Systems & Technologies Private Limited	Hyderabad	India	41%	41%
Not Considered for CFS (refer note 45(b) below):				
Subsidiary Companies				
SCIL Infracon Private Limited	Hyderabad	India	100%	100%
Joint Venture Company				
Gulf Batteries Company Limited	Dammam	Kingdom of Saudi Arabia	40%	40%

b) **Change in the Group Composition :**

- i) The parent Company's wholly owned subsidiary SCIL Infracon Pvt Ltd had filed for dormant status with the Registrar of Companies as at the year ended March 31, 2019. The parent company's investment in the entity had been fully provided for. In view of the foregoing, it has not been considered for consolidation as at March 31, 2022 as in previous year.
- ii) The group had a 40% interest in the joint venture entity, Gulf Batteries Company Limited, which was involved in the manufacture of some of the group's main product lines outside India. Up to the financial year ending March 31, 2017 the group's interest in the entity had been accounted for using the equity method in the consolidated financial statements. Subsequently the financial statements and information of the JV Company remained inaccessible to the parent Company. In view of the foregoing, the effective date for loss of control over the JV Company, is reckoned as April 1, 2017. The parent company has fully provided for the value of the investment in the said entity. Consequently, the entity had not been considered for consolidation since March 31, 2018. During the year, the company realised an amount of ₹5.05 lakhs as full and final settlement against transfer of its stake in the JV based on the valuation report. Pending statutory approvals the realised amount is shown under other current liabilities.

Note : 46

Additional information as required by Paragraph 2 of the General Instruction for preparation of CFS to Schedule III to the Companies Act, 2013 is attached.

Note : 47

Form AOC -1 as required under Section 129 (3) of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 is attached.

Notes forming part of the **Consolidated Financial Statements**

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Note : 48

Impact of COVID-19

The group has considered the possible risk that may result from the pandemic relating to COVID-19 for the components of the group and expects to recover the carrying amount of all its assets including inventories, receivables, investments and other financial and non-financial assets in the ordinary course of business based on the internal and external information available upto the date approval of these financial results. The group is continuously monitoring any material changes in future economic condition.

Note : 49

Previous years figures have been regrouped / reclassified wherever necessary to correspond with the current year classifications / disclosures.

As per our report of even date annexed

On behalf of the board

for Rao & Kumar

Chartered Accountants

FRN No. 03089 S

Anirban Pal

Partner

M.No : 214919

UDIN : 22214919AJRIBV1069

Place : Hyderabad

Date : May 26, 2022

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

K Sridharan

Chief Financial Officer

Kavita Prasad

Director

DIN : 00319292

M V S S Kumar

Company Secretary

Place : Hyderabad

Date : May 26, 2022

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT 2013: (Refer Note: 46)

(₹ in Lakhs)

Name of the entity	Net assets i.e. total asset less total liabilities		Share in profit/ (loss)	Share in other comprehensive income		Share in total comprehensive income		
	As % of consolidated net assets	Amount (₹ in Lakhs)		As % of consolidated profit or(loss)	Amount (₹ in Lakhs)		As % of total comprehensive income	Amount (₹ in Lakhs)
Parent	100.72%	87,200.44	95.40%	8,939.76	85.87%	(84.32)	95.50%	8,855.44
Subsidiaries								
Foreign								
HBL Germany GMBH	-0.67%	(577.08)	1.48%	138.63	-13.35%	13.11	1.64%	151.74
HBL America Inc.	-0.90%	(776.18)	3.02%	283.34	27.48%	(26.99)	2.76%	256.35
India								
Torquedrive Technologies Private Limited (including stepdown subsidiary M/s.TTL Electric Fuel Private Limited)	-0.04%	(36.99)	-0.60%	(56.24)	-	-	-0.61%	(56.24)
Associates *								
India								
Naval Systems & Technologies Private Limited	0.88%	766.12	0.70%	65.51	-	-	0.71%	65.51
Total	100%	86,576.31	100%	9,371.00	100%	(98.20)	100%	9,272.80
India								
Non controlling interest		0.74		(19.25)		-		(19.25)
		86,577.05		9,390.25		(98.20)		9,292.05

* Investments as per Equity method

Note : Subsidiary entity SCIL Infracon Private Limited and Joint Venture entity Gulf Batteries Company Limited have not been considered in the current year for reasons stated in Note no.45 (b)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

AOC-I : Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014).

Part " A' : Subsidiaries

(₹ in Lakhs)

Sl.No.	Name of subsidiary company	Reporting period	Reporting currency	Exchange rate on the last date of the financial year	Share capital	Other equity	Total assets (excluding investment)	Total liabilities	Investments	Turnover	Profit before taxation	Provision for tax & def. tax	Profit after taxation	Dividend proposed	% of Shareholding
1)	HBL Germany, GmbH (Subsidiary Company)	31.03.2022	EURO	84.22	14.92	(511.92)	773.03	1,270.03	-	3,012.75	101.24	-	101.24	-	100
2)	HBL America, Inc (Subsidiary Company)	31.03.2022	USD	75.90	323.02	(723.65)	1,459.79	1,860.42	-	3,567.42	164.26	5.83	158.43	-	100
3)	Torque Drive Technologies Private Limited (including stepdown subsidiary M/s.TTL Electric Fuel Private Limited)	31.03.2022	INR	-	169.10	(36.99)	142.97	10.86	-	5.66	(56.53)	(0.28)	(56.25)	-	100

Note : Subsidiary entity SCIL Infracon Private Limited has not been considered in the current year for reasons stated in Note no.45 (b) (i)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2022

Part " B" : Associate

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate Companies.

SI No	Name of the company	Naval Systems & Technologies Pvt Ltd
	Associates/Joint Venture	Associate
1	Latest audited balance sheet date	31.03.2022
2	Shares held by the company at the year end	
	Number of shares	41000
	Amount of investment (₹ in Lakhs)	4.10
	Extent of holding %	41
3	Description of how there is significant influence	Common Directors (₹ in Lakhs)
4	Networth attributable to shareholding as per latest audited balance sheet	770.23
5	Profit/(Loss) for the year	159.79
	i. Considered in Consolidation	65.51
	i. Not Considered in Consolidation	94.28

Note : Joint venture entity, Gulf Batteries Company Limited has not been considered in the current year for reasons stated in Note no.45 (b) (ii)

As per our report of even date annexed

for Rao & Kumar

Chartered Accountants
FRN No. 03089 S

Anirban Pal

Partner
M.No : 214919
UDIN : 22214919AJRIBV1069

Place : Hyderabad
Date : May 26, 2022

On behalf of the board

Dr A J Prasad

Chairman & Managing Director
DIN : 00057275

K Sridharan

Chief Financial Officer

Kavita Prasad

Director
DIN : 00319292

M V S S Kumar

Company Secretary

Place : Hyderabad
Date : May 26, 2022

HBL[®]

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