

Date: September 4, 2024

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 38th Annual General Meeting and Annual Report for the Financial Year 2023-24

Ref: 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 38th Annual General Meeting and the Annual Report for the financial year 2023-2024 which will be circulated to the shareholders through electronic mode. The 38th AGM will be held on Thursday, September 26, 2024 at 04.00 P.M (IST) through Video Conference (VC) / Other Audio Visual Means (OAVM).

The Notice of AGM and the Annual Report are made available on the Company's website at <https://hbl.in/reports/hblannualreport2024.pdf>

The schedule of AGM is as set out below:

Particulars	Details
Benpos Date for circulation of Notice	August 30, 2024
Day, date and time of 38th AGM	Thursday, September 26, 2024 at 4:00 PM
Date of Annual Report circulation through e-mail	September 04, 2024
Cut Off Date (e-Voting)	Friday, September 13, 2024
Remote e-Voting Start day, date and time	Monday, September 23, 2024 at 9:00 AM IST
Remote e-Voting end day, date and time	Wednesday, September 25, 2024 at 5:00 p.m.
AGM e-voting result date	On or before Friday, September 27, 2024

This is for your information and records.

Thanking you

For HBL Power Systems Limited



GBS Naidu
Company Secretary

Encl: Annual Report 2024

HBL[®]

ANNUAL REPORT FY2024

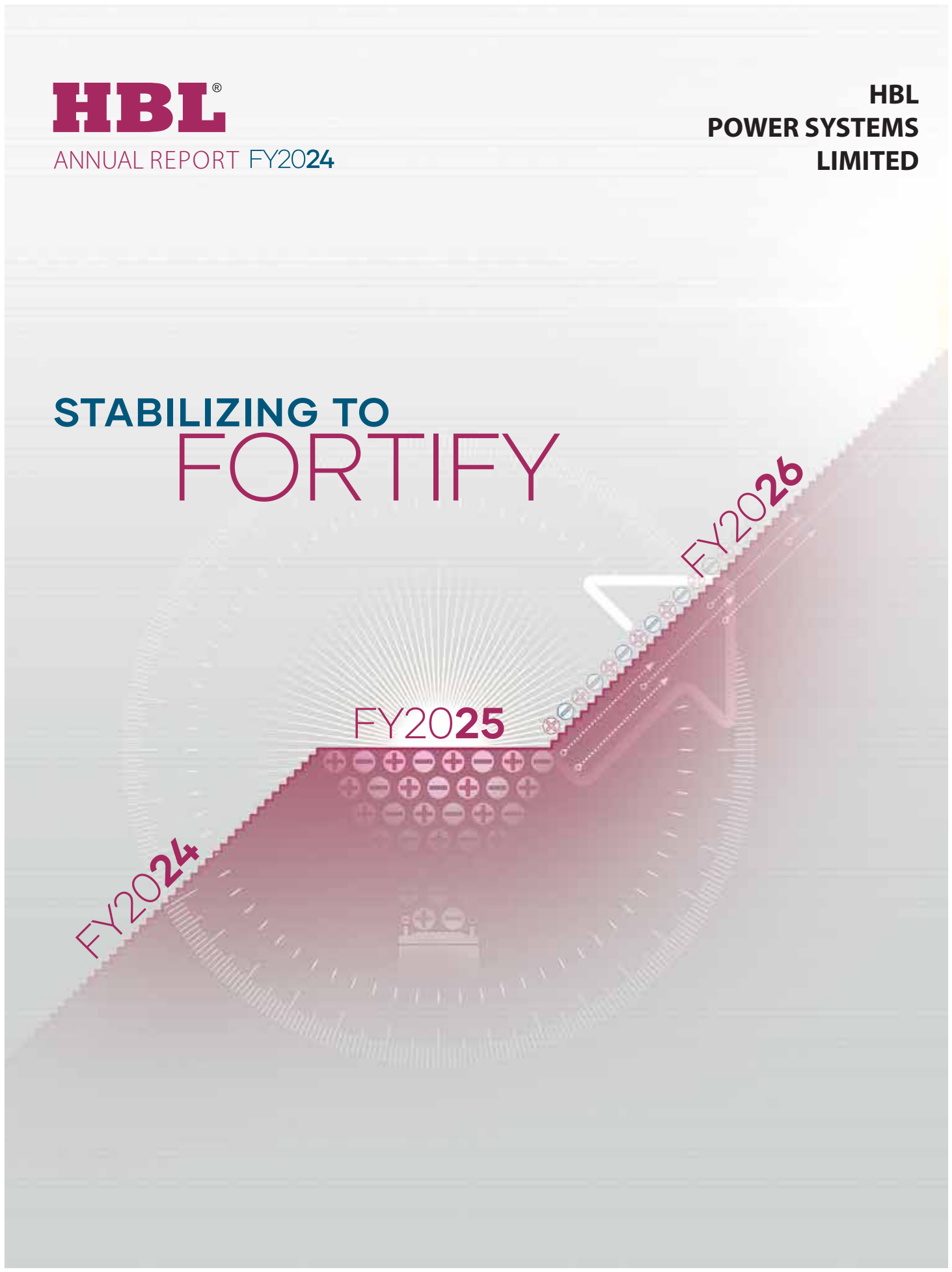
**HBL
POWER SYSTEMS
LIMITED**

**STABILIZING TO
FORTIFY**

FY2024

FY2025

FY2026



CONTENTS

STATUTORY REPORTS	
Management Discussion & Analysis	01
Corporate Social Responsibility	19
Corporate Information	26
Notice	27
Directors' Report	44
Report on Corporate Governance	69
Business Responsibility and Sustainability Report	90

FINANCIAL STATEMENTS	
Standalone Financial Statements	126
Consolidated Financial Statements	180

KEY INFORMATION OF PREVIOUS FIVE FINANCIAL YEARS

Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
Financial performance					
Revenue	1,077	909	1,221	1,350	2,209
Tax	14	5	29	31	91
Profit after Tax	24	15	89	95	264
Financial information					
Net Worth	783	793	872	956	1,205
Net cash from operations	148	111	61	122	258
Debt to equity	0.09	0	0.07	0.09	0.05
Per share data (as on March 31)					
Earnings Per Share	0.81	0.47	3.19	3.42	9.46
Book Value	28	29	31	34	43
Dividend (% on paid-up share capital)	30*	35	40	45	50
Shareholding related information (as on March 31)					
Number of Shareholders	45,579	78,926	1,43,984	1,74,854	2,93,512
Promoters' shareholding (%)	57.85	58.51	58.97	59.08	59.11
Market Price Per Share (NSE)	11	33.35	63.4	95.25	454
Market Capitalization (NSE)	305	924	1,757	2,640	12,858

* Including interim dividend @20%

MANAGEMENT DISCUSSION AND ANALYSIS

WHAT DOES HBL DO?

HBL organizes engineering talent, To identify technology gaps in India it can fill, To manufacture engineering intensive products, To grow profitably.

WHY?

Technology gaps exist when a product is either fully imported into, or assembled in India depending on foreign companies for supply of proprietary items.

HBL sees opportunities for profit when there are technology gaps. Owning Technology enables sustained competitive advantage, which is necessary for profits in manufacturing. Licensing foreign technology is an easier, but suboptimal way to do this.

HBL relies on engineering talent to fill technology gaps. At HBL, engineering includes development of both the products and the customised equipment made in-house. This reduces capital cost, which makes production even at small quantities viable initially.

IS THIS BUSINESS MODEL SUSTAINABLE?

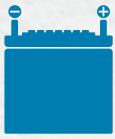
As Peter Drucker said in his iconic article “The Theory of the Business”, a company’s business model needs to change with the circumstances.

HBL has been an “entrepreneur-managed” business ever since its inception. Entrepreneurs, by definition, do not work for other companies. And a founder’s family successors are almost never of the same mold and cannot be what they are not. Therefore, even without an entrepreneur to lead it, HBL’s future business model has to remain effective.

This does not mean that the theory behind HBL so far has to be abandoned. All it needs is a different interpretation, compatible to the changed circumstances. A lot has changed in forty years.

FOUR BUSINESS SEGMENTS

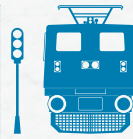
In the last 40 years, HBL has filled multiple technology gaps. The resulting businesses fall into four very different Business Segments. The common factor has been using engineering for technology development. Perspectives on each segment are highlighted further below.



- Industrial Nickel Batteries, in which we are globally competitive (#2 globally) and exports are around 40% of total sales
- VRLA (Lead) Batteries, where we are #3 in India
- PLT (Lead) Batteries, where we are the only manufacturer in India
- Lithium Batteries (Vande Bharat trains, Energy Storage Systems etc.)



Defence businesses. Batteries for Aircraft, Missiles, Torpedoes, Submarines. Electronic Artillery Fuzes and other defence electronics



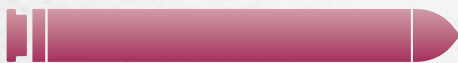
Electronic rail signalling (Kavach, Electronic interlock, Train Management Systems, Centralised Train Control Systems)



Electric Drive trains (motors, electronics and batteries) for heavy electric trucks



Current R&D



“State of the Art” motors, batteries and Homing Heads for Advanced Torpedoes



Design and produce new trucks to use HBL electric drive trains

HBL IS DIFFERENT; IS IT GOOD OR BAD ?

Many investors do not understand the word technology. They need not. So it has been very difficult for HBL to communicate why it does what it does. As India is becoming more modern, some investors are able to see the logic behind HBL's business model. One letter from a significant shareholder is reproduced below.

Respected Sir,

Meeting you was an exhilarating experience. There is just so much to imbibe, learn and get inspired from this one meeting that I have had with you.

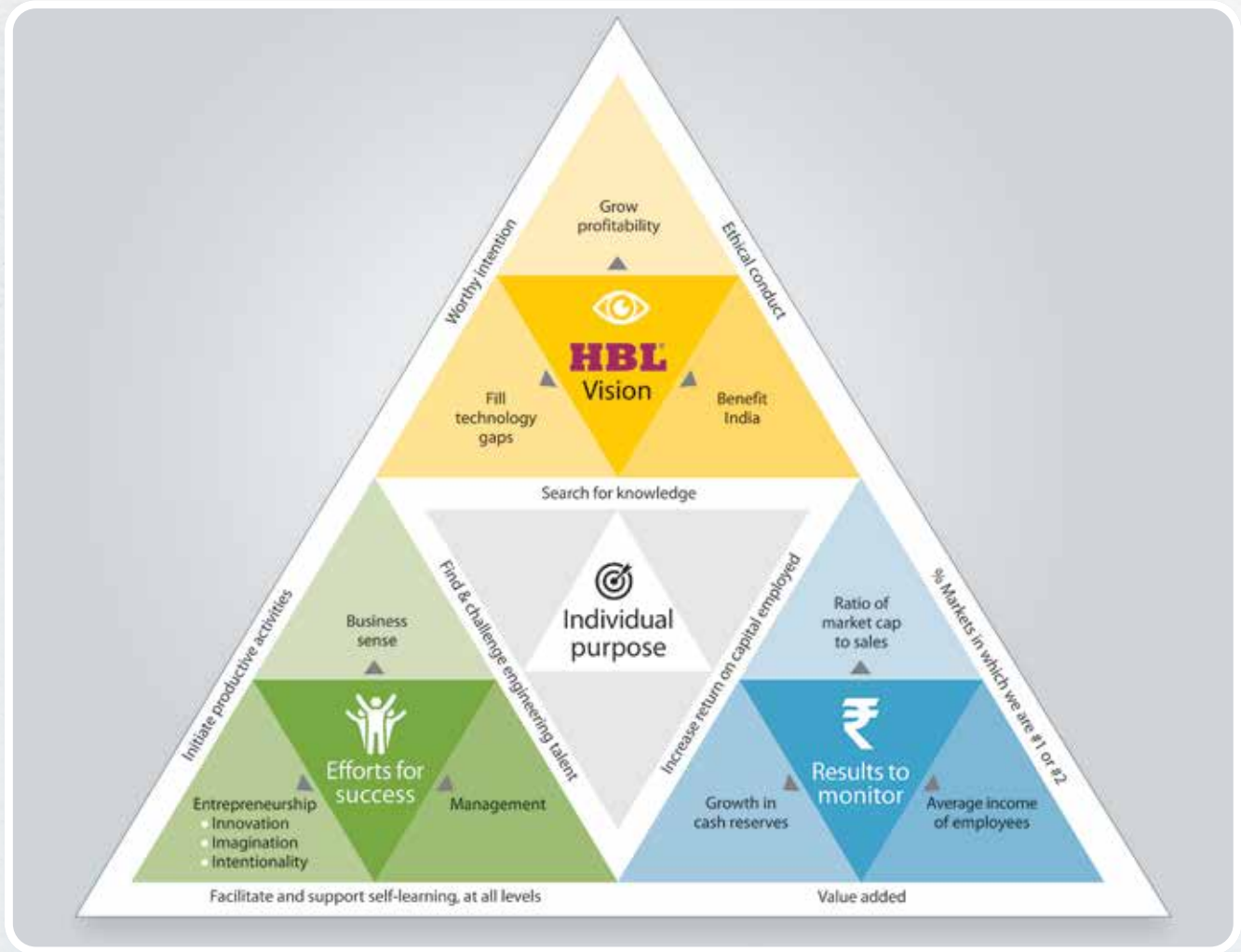
Most manufacturing industry in India are 'processor' industries that take RM in and give out finished good and the so-called technology industry is a white collared body shop (it is not a criticism they have their role). In an environment like this to build a business a based-on IP, to persist for decades, to fill technology gaps that our nation needed and to challenge large MNCs is a remarkable feat. There is only one parallel I can draw and that is of Mr. Keki Gharda. I never met Mr. Gharda but I am so glad to have met you.

HBL has a great future as a company, it is a fate accompli, I only wish great health for you
Dr. AJP.

With deep gratitude,

THE HBL TRIANGLE

The Vision, Purpose, Values & Ideals of HBL are all shown in a triangle.



VALUES

<p>FAIRNESS TO ALL It is being just, and aligning our thoughts and acts in best interest of all we interact with.</p>	<p>INNOVATIVE SPIRIT It is pro-actively identifying opportunities to improve what we do.</p>	<p>CRAFTSMANSHIP It is being passionate and proud about the quality of what we produce and deliver.</p>	<p>ENTREPRENEURIAL OPPORTUNISM It is identifying and connecting gaps and businesses into business opportunities.</p>	<p>DEVELOPMENT OF INDIVIDUALS It is ensuring a training and exploratory environment to build capabilities leading to particular growth in employees at all levels.</p>	<p>HARMONIOUS CO-EXISTENCE It is a responsibility to conserve and nurture environment and society.</p>
--	---	--	---	---	---

ONE POSSIBLE FUTURE BUSINESS MODEL

To profit by filling technology gaps, all technology gaps need not be seen by HBL, and even if seen, need not be filled by HBL alone.

The following “dots” can be connected to arrive at one possible future business model for HBL:

- India will continue to have technology gaps in the foreseeable future
- Foreign technology licensing and direct investment will fill some gaps
- Many technology-based entrepreneurs in India have attempted, in different businesses, what HBL did in its chosen businesses

- Manufacturing is still not a preferred opportunity for most investors
- The banks (who earlier funded manufacturing startups under government policy to see them as a priority sector), are more and more unwilling to take such risks. They are not available to entrepreneurs when they are financially stressed, because banks cannot differentiate between future losers and winners
- Private Equity can discriminate between future losers and future winners. But they are generally unable to differentiate, so

they are also reluctant to invest in future winners if the company’s current financial situation is bleak

HBL has resources in money, brand recognition with customers, and deep knowledge of certain domains. These could be used to make PE type investments in selected technology based manufacturing companies. This business model will leverage the benefits of HBL’s engineering talent, to participate in the profits from filling technology gaps seen by others.



THE HBL STORY

Most technical startups are based on the promoter's prior work experience or a technical collaboration. In HBL's case it was neither. The promoter had not worked in any industry and there was no collaboration. His background in management of R&D led to his conviction that India has enough talent for developing appropriate technology for many products.

The idea was to create a manufacturing business by investing on, and managing R&D in India, with the focus on engineering intensive products to sell, B2G and B2B. The first product chosen, in 1977 happened to be batteries for aircraft of the Indian Air Force. Technology was then also developed for a number of types of specialized batteries for defense and industry; this work continues even today. But HBL never saw itself as only a "battery business".

After 2002, technology development was begun in the Industrial Electronics and Railway Signalling domains. Development of the "**Kavach**" **Train Collision Avoidance System** was begun in 2007 and

demonstrated on the tracks on 27 October 2012 Kavach became a commercial business only in 2022.

Business Model & Portfolio

The product range of HBL puzzles all those who become aware of it. However, this range is the result of a logical business model which was consistently applied. A single product is too big a risk. So, a portfolio was developed with related products (related in both technology and market extensions).

Product market choice was, and is, based on these criteria:

- Enter only Niche markets, which are (at that time) too small for big companies and too difficult for small companies
- Avoid capital intensive products and B2C businesses. Search for Engineering Intensive businesses to invest
- Technology should be the basis of sustained competitive advantage; avoid products where technology is easily available

- Develop the technology needed, appropriate to the size of the Indian market, by R&D in-house
- The goal is to be #1 or #2 in a market of reasonable size; or #3 in a large market. If this is not possible, do not enter, or exit.

This business model has proved to be successful; HBL's market position in India is #1 or #2 in all its products, except telecom tower batteries where it initially was #2, then #1, and currently #3.

The business model is scalable; opportunities are constantly emerging, simply because India has a long way to go in industrial product manufacturing. In fact, HBL's business model should be easier to sustain profitable growth, than conventional business models, where competition will be difficult to cope with as capital becomes easier to access.

KEY NUMBERS

5

MANUFACTURING FACILITIES

50+

EXPORT MARKETS

1,875

EMPLOYEES



2,209

REVENUE (₹ CRORE)

435

EBITDA (₹ CRORE)

264

NET PROFIT (₹ CRORE)



1,205

NETWORTH (₹ CRORE)

351

FIXED ASSETS-NET (₹ CRORE)

43

BOOK VALUE PER SHARE



29%

RETURN ON CAPITAL EMPLOYED

115

NET FOREIGN EXCHANGE (₹ CRORE)

0.05

DEBT EQUITY RATIO

Our Integrated Facilities



VIZIANAGARAM

Near Visakhapatnam, Andhra Pradesh

Product line: 2V/12V-AGM VRLA



SHAMIRPET

Hyderabad, Telangana

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



NANDIGAON

Near Hyderabad, Telangana

Product line: PLT, Lithium-Ion and Submarine Batteries



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

9.46

EPS (₹)

258

NET CASH FROM OPERATIONS
(₹ CRORE)

19.69

EBITDA MARGIN (%)



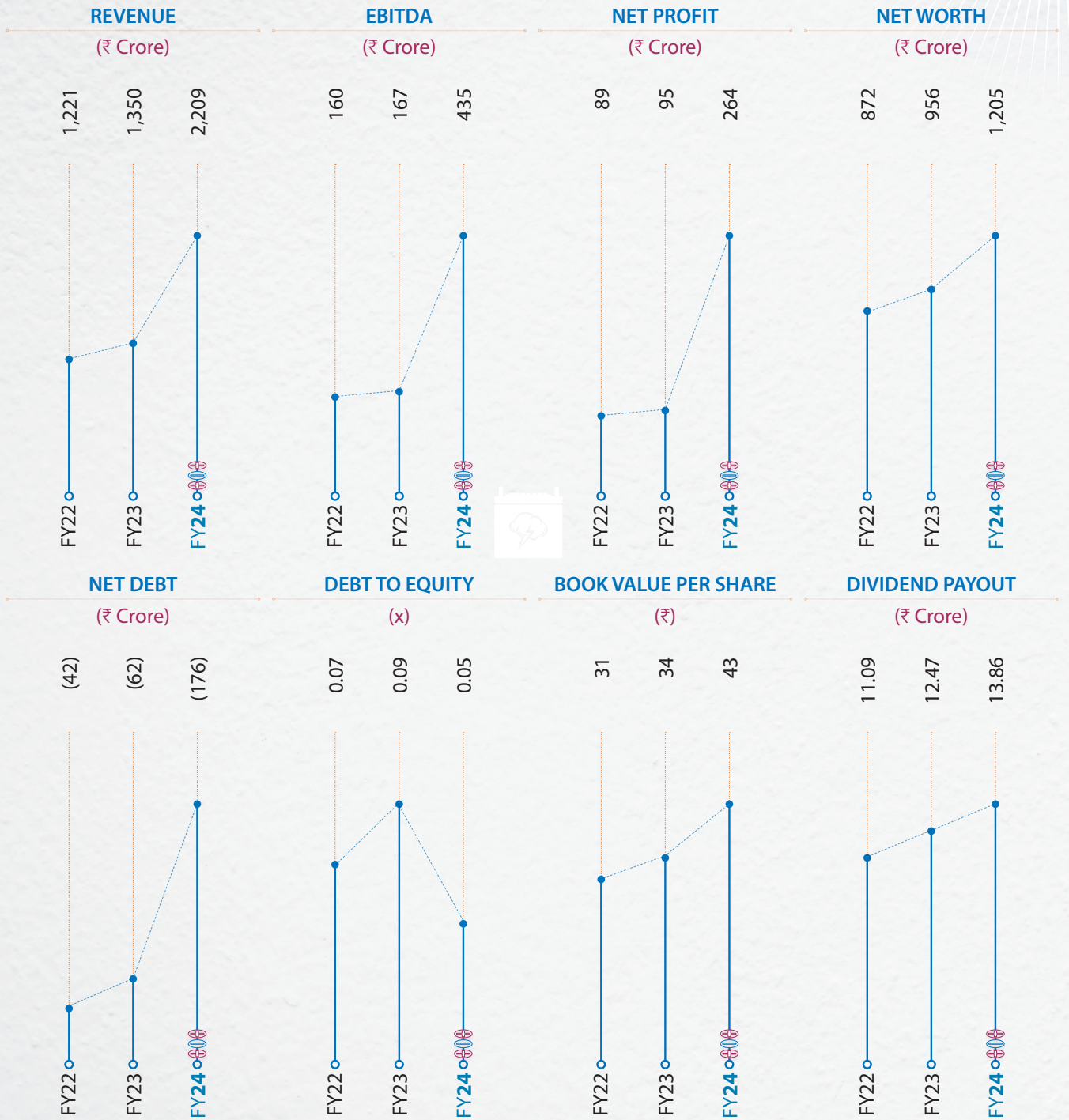
POSSIBILITIES FOR THE NEXT FOUR YEARS

When one gets the urge to predict the future, the wise man calms down until the urge goes away.

With this caveat, HBL sees the near future as follows:

- FY 24 was an unusually good year. Cannot expect such growth to continue
- FY 25 sales may be about the same as FY 24 because; no Kavach tenders were issued from Feb 2022 till 6 August 2024
- FY 26 sales may be 30% more than FY 25 sales, because Kavach tenders were issued in August 2024
- FY 27 and FY 28 may have compound growth in sales at about 20 % a year over FY 26
- Minimum level of moderation of EBITDA should be expected with such growth

KEY PERFORMANCE INDICATORS



INDUSTRIAL BATTERIES

In the “Battery Industry”, batteries used in industry are only a small part. The big markets are automotive (now including EVs) and consumer electronics (including mobile phones and laptops).

Product types

Industrial Batteries were so far supplied in either Lead or Nickel Cadmium technology. Lithium Ion is gradually displacing Lead batteries. HBL is present in all three technologies. In future, Nickel Cadmium may also be displaced if safer versions of Lithium Ion are made available. But because HBL’s Lithium-Ion batteries will grow, the overall total for Industrial batteries sales should continue at around Rs 1,500 cars per year in the near future.

HBL’s major user industries

TRANSPORTATION

- Rail coach lights and fans
- Diesel loco engine starting
- Electric loco operations
- Station Signaling equipment
- Metro rail cars

ELECTRIC POWER

- Generation
- Transmission
- Distribution

OIL & GAS

- Off shore oil platform
- Petroleum refineries
- Pipelines for gas and oil
- Chemicals production plants

TELECOM

- Switching centres
- Telecom towers

UNINTERRUPTED POWER SUPPLY

- Data centres
- Offices
- Hospitals

STATIONARY ENGINE STARTING

HBL presence overseas

In Nickel Cadmium batteries, exports account for about 40 % of the total. Customers include SIEMENS RAIL, Alstom, HITACHI, New York City Metro.

VRLA batteries

In telecom, LIB is finding acceptance due to prevailing low-price points and resultant reduction in gap in total cost of ownership. However, the overall demand for VRLA battery is expected to be stable due to anticipated higher investment in passive infrastructure to improve call quality and support 5G roll out,

aided by improving Average Revenue Per User (ARPU) and resultant investment.

Penetration of LIB would depend on the price point, any upward revision in LIB price, might revert the demand in favour of VRLA. HBL is gradually converting its 2V-VRLA capacity meant for telecom to 12-VRLA capacity to grow the UPS battery business.

PLT batteries

HBL possesses unique Pure Lead Thin (PLT) plate lead acid battery technology, which is finding faster acceptance in critical data centre applications,

and is effectively competing with lithium, barring cases where space is a constraint. HBL has identified new avenues in the defence segment for PLT products, acquired necessary qualification/approvals, and executed trial orders. This segment promises good business beyond DG cranking and data centres.

Nickel Cadmium batteries

Domestic demand for Nickel Cadmium batteries both for industrial and rail applications has been encouraging and is likely to continue for the next couple of years. HBL is equally

enhancing its business in export markets. To support growing demand for its rail batteries (in the Nickel segment), HBL has initiated works and committed capex to enhance capacity through line balancing and establishing additional lines.

Lithium Ion Batteries (LIB)

In recent years, EVs have become a prominent subject of attention. LIB is the universal choice for EVs. India's attention to EVs has become India's attention to LIB. Although government policies use the term "Advanced Chemistry Cells" to be technology agnostic, in practice, there is no competition to LIB, now and in the foreseeable future.

Currently, many Indian companies import Lithium Ion cells to assemble into batteries. The capex needed for assembly is low and the value added is reasonable. This is growing on an ever-increasing scale. Over the years, China has become the only source, for perhaps 90 % of imports into India, for Lithium Ion cells.

LIB are now price competitive with industrial VRLA lead

batteries, and it is a matter of time before industrial VRLA lead batteries are replaced with LIB, by all big customers. VRLA will coexist, but not in the prime markets. HBL is aligned to this shift. Competence has been established in LIB. Scale will be gradually increased to meet demand.

Both of India's leading automotive lead battery companies, and several other ambitious Indian companies have committed to invest large capex to make Lithium ion cells. HBL approach to this domain is consistent with our vision. We will not enter capital intensive businesses. Instead we will focus on low volume, customized, engineering intensive markets for LIB. This approach has led to promising results already.

HBL's "Industrial" customers for LIB include Vande Bharat trains. Siemens in Germany has chosen HBL as one of two sources to be developed globally, for LIB for Siemens built train and metro cars. Defence customers abroad have purchased HBL LIB for their armoured vehicles. In India, HBL has development

contacts for undersea vessels of critical importance which should lead to sales in CY 2026.

HBL is implementing a capex plan of about 100 crores in FY 25, to make high energy density cells in house. The earlier investment made two years ago, on a pilot plant to learn the technology, was about 40 crores. These cells are for defence use only.

HBL has no illusion that it can produce Lithium cells at a cost lower than imports plus customs duty. So, HBL E-trucks will use HBL made batteries, assembled from Chinese cells.

To summarise, LIB will be a significant contributor to HBL top line because these are used in HBL made E-Trucks. It also adds to our brand value as the "go to" company for specialised batteries, and revenue at a decent EBITDA.

Jamnagar refinery
Since inception, this refinery has been using HBL Nickel Cadmium batteries for DC power to protect its Control and Instrumentation systems.



DEFENCE BATTERIES

HBL began with filling the technology gap for batteries for defence aircraft. Many other types of batteries for defence were developed over the years. Niche opportunities in electronics products used in defence are being added. Defence businesses worldwide are not transparent because of security considerations. They are procedure heavy, which makes it difficult to enter; but the same feature discourages new entrants HBL's position is secure.

Batteries are "revenue" items, and need replacement at regular intervals. Therefore, while demand for each type of battery is not predictable

annually, the aggregate demand tends to grow steadily. HBL products for "capital" items in defence are very few. The demand for these tends to be quite unpredictable.

Defence businesses in HBL include:

Batteries

Batteries for all types of aircraft, missiles, armoured vehicles, torpedo propulsion and submarine propulsion.

In all these batteries, MoD has a second supplier; but overall, HBL is recognised as the leading supplier. Exports are a significant contributor.

Electronic Fuzes for ammunition

Including grenades, artillery

shells, rockets, missiles, air-dropped bombs. HBL is the only company in India with 100% indigenisation.

Other

Voice and data communications system for armoured vehicles (Battle Tanks and Armoured Personnel Carriers). HBL is the only supplier in India of this capital item.

HBL also did high value "projects" which recur only with long intervals. Platform Management and Steering Systems, built to print by HBL, for Scorpene submarines is a prominent example.

ELECTRONIC RAIL SIGNALING

KAVACH Train Collision Avoidance / Automatic Train Protection System

R&D work began in 2005. HBL pioneered this system with help from RDSO; the demo trial occurred in October 2012 at Tandur, SCR. It was in 2022 that the Railways announced KAVACH as the National Automatic Train Protection System, to be progressively installed all over the network.

There are now three companies approved for supply of TCAS. Interoperability among the three designs has been established. Products from new suppliers must also be interoperable with the current suppliers, and this is a time-consuming process. Expected service life of the Kavach system is 15 years. These systems need maintenance; and railways pay for this annually.

Kavach is a complex system involving locomotives, stations and tracks. In 2024, the Railways announced that installation of KAVACH would be expedited. As an illustration of safety system complexity, a contract for ETCS+CBTC awarded in 2020 for a 17 Km section of the Regional Rapid Transit Corridor System in the Delhi- Meerut corridor was inaugurated on 20 October 2023.



MANAGEMENT DISCUSSION & ANALYSIS

TMS (Train Management system) / CTC (Centralised Train Control)

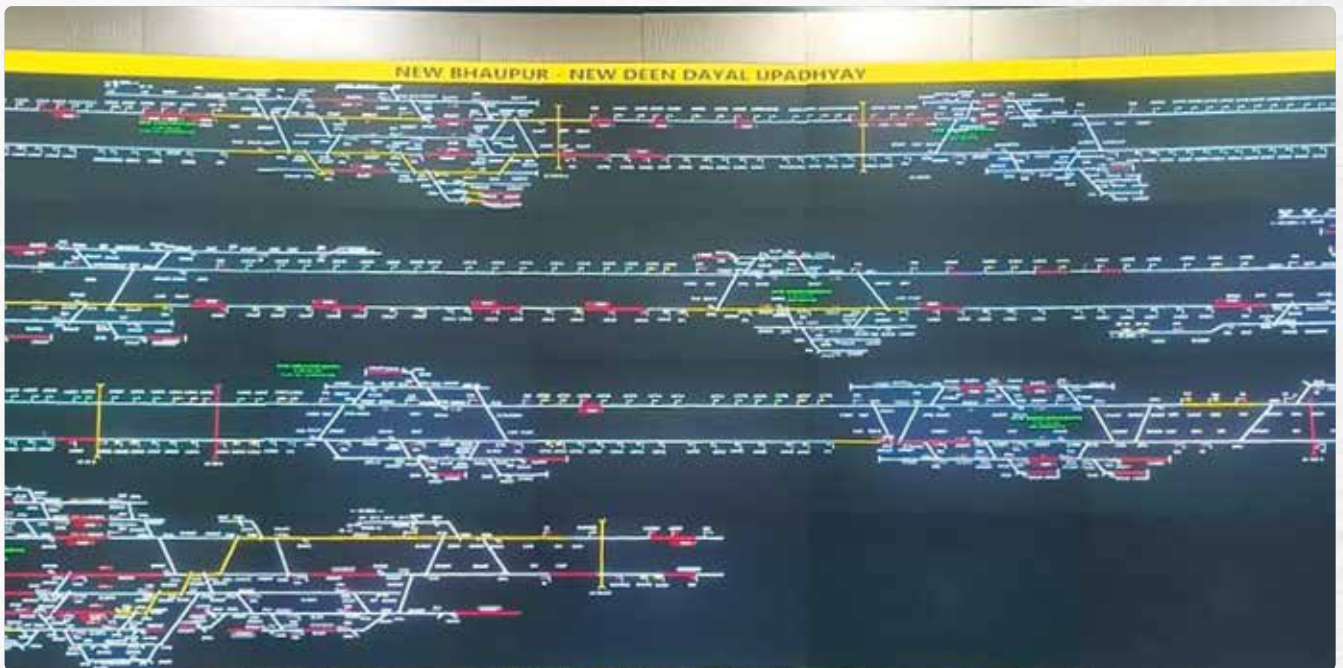
A Train Management System has a master control centre where a huge video wall displays the status of all trains in the jurisdiction of that system. It is also a decision support system for traffic controllers, during disruptions like accident failures etc., to bring the

timetable back on track. There are very few systems in use today in India; a few imported and three from HBL.

HBL is the only approved and proven Indian company for TMS. It is a Niche product, too small for large companies and too hard to qualify for small companies.

Depending on size and traffic, each railway zone would need

six to nine systems. Demand is expected to grow slowly because Kavach has become high priority. Compared to Kavach, the value of business is small; at most ₹200 crore per year. A typical price per system would be ₹50 crore, depending on what else is included in the scope of a tender.



ELECTRIC DRIVE TRAINS

EVs: Hope, hype and reality over 20 years

The idea of electric traction for vehicles is more than 100 years old. Battery driven cars early in the last century were superseded by very rapid improvements in two technologies: internal combustion engines and petroleum refining.

A 100 years later, early in this century, very rapid improvements in two technologies, electronics applied to electric motors and Lithium batteries used in EVs, have attracted a lot of public attention. Some people think EVs will replace all engine driven vehicles by 2050. In the last decade, this euphoria, led to government subsidies for purchase of electric vehicles in many countries. Toyota alone stood out for questioning this, but was shouted down. In 2024, reality is being recognised and the faith in EVs is eroding rapidly, both in auto manufacturers and in governments, including India. Ten years ago, HBL's techno-economic market analysis showed that EVs can only

be a small percentage of the passenger vehicle population, even after two decades. Further, that business strategy should not be based on subsidies.

This has proved to be right. Events will soon tell.

Technology gap in Electric Drive Trains

Six years ago, HBL had sensed a potential business opportunity in a different segment of the EV market. That electric trucks could be techno-economically viable in some use cases. HBL was not the only company to see this, globally or in India. Where HBL differed was in HBL's strategy to fill the technology gap to secure a competitive advantage. HBL saw that the critical components of electric vehicles, including motors, batteries and electronics were being imported by all EV manufacturers in India. This is a technology gap, that HBL thought can be filled. So development of the electric drive train was started in house. Our Annual Reports had mentioned this as ongoing work. As is common, some wrong paths and some dead ends took more time than was

planned. But, the results were worth the time spent.

Road tests on old trucks converted to electric drive showed that the HBL electric drive train works reliably and could save money on operating costs for some use cases.

Primary benefit of Electric Drive

Saves money, under some use cases.

Secondary benefit: ESG obligations

ESG obligations, as part of the global effort to contain global warming, are being increased every year. Companies are evaluated on the contribution they made which should be reported annually. Larger companies lean on their suppliers and service providers to do something, and this makes it desirable for even medium sized companies to do something. Large truck fleet operators are looking at converting to Electric Trucks, to show progress. This tilts the balance in favour of electric when the total cost of operations of Electric Versus Diesel is considered.

Emerging Market for Electric Heavy Trucks

"The government is thinking about how to increase the adoption of electric trucks for long haul applications"

Dr. H. Qureshi, Additional Secretary, Ministry of Heavy Industries, 10 August 2024

Two independent market segments

HBL's marketing strategy for Electric Drive Trains

The easy way to commercialise the drive train technology is to try and sell it to truck makers.

This is a tedious, low margin (even if potentially high volume) business. But HBL wants to sell direct to users; we want lower volume niche markets with higher margins.

While conversion of an old truck is economically viable and HBL had thought about this as a market, it does not permit

realization of the full benefits of electric drive.

A new truck, designed for electric drive, to optimize weight and with modern features, would be more efficient than a converted truck.

HBL is designing and building new 35 Ton and 55 Ton trucks, to become a small-scale truck OEM. These sales could begin in H2 of FY 26..

Charging infrastructure

HBL created a subsidiary, TTL ELECTRIC FUEL PVT LTD, to provide charging infrastructure for EVs. EFL is so far focused on

3-wheeler charging, but also provides facilities for 2 and 4 wheelers.

EFL currently has 67 locations in 9 cities in India. Every day approximately 2000 vehicles are charged. A lot has been learnt in the last two years, on the ground level problems of EV charging as a business. This experience is helpful in setting up charging facilities for heavy trucks, and EFL plans to offer locations on selected highways, beginning early in FY 26, to support HBL truck customers.

PROPOSAL FOR CHANGE OF NAME

The company's initial business was in batteries and chargers, which were often, sold as a systems, to customers in Industry, Railways, Defense.

Power Systems in the name was appropriate at that time.

Over the years, HBL designed and developed many other businesses, with Indian Engineering talent.

These businesses sold to the

same customers, but with new products. The diversification was in adjacent "product markets". For example, selling power systems to the signaling department of the railways gave us insights into customer needs to develop Kavach.

The common factor in all these products was HBL's ability to organize engineering talent. In fact, from inception,

the company's forte was engineering. Even for our latest emerging businesses, it is this ability that enabled HBL to design and prototype electric vehicle "drive trains", and then heavy electric trucks.

Power Systems in the name is no longer appropriate. The Board therefore resolved to change the name to HBL ENGINEERING LIMITED.

HUMAN RESOURCES

With 1,875 employees as on March 31, 2024, HBL has a diverse skill set across a broad spectrum of technical domains. This rich tapestry of expertise fosters a collaborative environment where innovation thrives.

The people-centric approach emphasises continuous learning, upskilling, and professional development, ensuring the team remains at the forefront of technological advancements.

HBL is committed to cultivating

a safe, inclusive, high-performing work culture that empowers its employees to reach their full potential. This focus on employee well-being and professional growth directly contributes to organisational success.

FINANCIAL RATIOS

As mandated by SEBI regulations, this section outlines significant changes in key financial ratios compared to the previous financial year. The changes that exceed 25% are disclosed in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Particulars	March 31, 2024	March 31, 2023	Change	Reason for change
Debtors' turnover	6.23	4.28	45.63%	Increase in Turnover
Inventory turnover	5.81	4.27	36.21%	Increase in Turnover
Interest coverage ratio	29.42	21.12	39.27%	Reduction in debt and increase in profit
Current ratio	2.81	3.09	-9.05%	
Debt equity ratio	0.05	0.09	-45.75%	Reduction in Debt
Operating profit margin (%)	17.17	8.40	104%	Increase in turnover and margins
Net profit margin (%)	11.87	7.02	68.96%	Increase in turnover and margins
Return on net worth (%)	21.74	9.92	119.21%	Increase in turnover and margins

INTERNAL CONTROL & ADEQUACY

HBL maintains a robust system of internal controls to ensure operational efficiency and compliance. Regular internal audits conducted by an independent agency and in collaboration with statutory auditors and the Audit Committee evaluates the effectiveness of these controls and identify areas for improvement. The company adheres strictly to quality management standards and operating procedures across all manufacturing and operational activities.

HEALTH, SAFETY & ENVIRONMENT

HBL received the prestigious “Outstanding Contribution Award” for its environmental stewardship at the Visakhapatnam SEZ Authority’s 32nd Zone Formation Day celebrations.

In addition, HBL was also honoured with an appreciation certificate from the Telangana State Pollution Control Board for adopting exemplary environmental practices. This recognition was bestowed on the eve of India’s 75th Independence Day.



Health

HBL is committed to the well-being of its employees. To proactively address health concerns, the company conducts regular health check-ups for all staff members, facilitated by a team of medical professionals.



Safety

HBL prioritises workplace safety for all employees. The Company fosters a safety culture through training, equipment provision, and regular safety drills. HBL received ISO 45001:2008 certification, underscoring its commitment to creating a secure work environment.



Environment

HBL is committed to sustainability and environmental conservation. The Company embraces a circular economy approach, minimising waste through reduction, reuse, and recycling across all operations. Its production facilities have maintained a zero-liquid discharge record for two decades. Beyond their operations, the Company supports afforestation and encourages its suppliers to adopt environmentally responsible practices.



CORPORATE SOCIAL RESPONSIBILITY

HBL has long prioritised giving back to society, incorporating Corporate Social Responsibility (CSR) into its philosophy five years before it became legally mandated. The company is committed to operating in a manner that fosters the overall development of all stakeholders within its operational areas. HBL’s CSR policy is centred on achieving a harmonious blend of social and business objectives.

Our CSR initiatives

Reforestation initiative: HBL has made significant strides in reforestation, achieving nearly 70% green cover across its 163-acre manufacturing plant areas with over 51,000 trees. This initiative not only creates a pleasant work environment but also fosters positive relationships with neighbouring communities.

Child care and child development initiative: HBL supports over 123 Anganwadi Centres, benefiting over 2,500 children aged 3-5 years. Initially, the program served 175 children in just four centres. In addition to supporting early childhood education, HBL extends its CSR

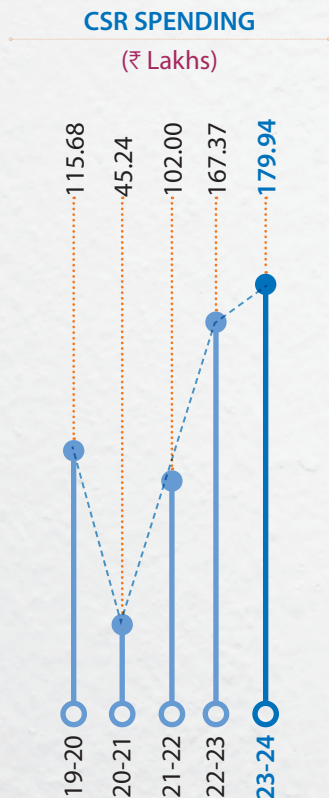
efforts to various charitable organisations. These include Anuraag, a home for differently-abled children; NICE, a centre dedicated to the education of needy illiterate children; and Jyothi Ashram, an orphanage. At the Anganwadi Centres, monthly counselling sessions are held for parents, and regular medical check-ups are conducted for all children.

Child nutrition initiative: The Company also partners with the Akshaya Patra Foundation to organise a mid-day meal program, ensuring children receive nutritious meals. The COVID-19 pandemic posed significant challenges to continuing CSR activities, particularly as most Anganwadi Centres were inactive during the lockdown. Despite this, HBL's CSR team ensured the

distribution of nutritious food through 'Happiness kits.'

Child education initiative: The pandemic also inspired the digitisation of Anganwadi Centres. Televisions were provided to Model Anganwadi Centres as a first step, significantly enhancing preschool learning through audio-visual presentations. This digitisation project aims to cover all eligible Anganwadi Centres eventually.

Social spending: The Company's commitment to corporate social responsibility (CSR) is evident in the substantial growth of its CSR budget, which has increased from ₹2.14 lakhs in 2008-09 to ₹200 lakhs for the 2023-24 financial year. These funds support various initiatives that have a profound impact on local communities.



Children benefitted

Year	No. of centres	No. of children
2020	92	1926
2021	92	2092
2022	95	2116
2023	108	2319
2024	123	2546

HBL's extensive and evolving CSR initiatives reflect its dedication to positively impacting the environment and the communities it serves. The company's comprehensive approach to CSR ensures that it remains a good neighbour and a responsible corporate citizen, continually striving to improve the quality of life for those in its sphere of influence.



ESG SUMMARY REPORT

HBL's First-ever Sustainability Report

Sustainability Report 2024 which covers the period from April 2023 to March 2024, encapsulating a comprehensive review of our sustainability initiatives, achievements, and challenges and is built upon the principles and criteria outlined by the GRI Standards. It adheres to India's National Guidelines on Responsible Business Conduct (NGRBC), addressing the company's social, environmental, and economic responsibilities.



Sustainability Vision & Approach

Keeping sustainability as a cornerstone of its business, HBL places strong emphasis on environmental, social and governance aspects. The organization constantly strives to develop products and processes that are more environmentally friendly – prominent examples being designing E-Trucks, and using captive solar power. Robust pollution control protocols have been developed and implemented across all facilities, complying with all local and national laws. The organization seeks to reduce waste from the

design stage itself and finds a way to recycle and reuse all its products and their components. To build a circular system, sustainable practices are followed across manufacturing processes. Optimal use of energy sources, reduction in greenhouse gas emission and adherence to best practices are some of the key initiatives implemented to improve our sustainability performance. Many environmental certifications have been received for various product lines across numerous battery plants - reconfirming the commitment to the environment.

HBL has also developed "HBL Environmental and Social Responsibility Code of Conduct" to ensure employees and suppliers are aware of the company goals and expectations. The code requires suppliers to adopt sound environmental, health and safety, and human resource management practices fundamental to the rights of human beings at work. Programs are put in place to monitor the suppliers' conformance with the Code of Conduct.

A detailed report on sustainability is available on the website of the Company at <https://hbl.in/Investors-Details.php>



Materiality Assessment

In alignment with our strategic focus on sustainability, we have conducted our Materiality Assessment during FY 2023-24. This comprehensive assessment was conducted to identify and

prioritize our material issues. We have established Key Performance Indicators (KPIs) for our material issues and used them as a baseline for the last two financial years. This baseline will guide our target-

setting for the next three years. For our Materiality Assessment, we shortlisted a total of 13 material issues as mentioned below:

Environment	Social	Governance
Climate change	Protection of human rights	Responsible sourcing
Energy management	Health & Safety	Data privacy and cyber security
Water management	Community engagement	Compliance
Waste management	Diversity, Equity & Inclusion	Product quality, safety and innovation

Sustainability Highlights for FY 2023-24



ENVIRONMENT

GHG emissions

- Total Scope 1 emissions amounted to 9,893.83 MT of CO₂, a decrease of 0.7% from 9,961.93 MT of CO₂ equivalent in FY 2023. Scope 1 emissions include CO₂, CH₄, N₂O, and other gases directly emitted from our operations
- The Scope 2 emissions, which include indirect emissions from purchased electricity and heat consumption amounted to 46,808.32 MT of CO₂ equivalent in FY 2024
- GHG emissions (scope 1 & scope 2) intensity ratio reduced to 0.21 in FY 2023-24 from 0.27 in FY 2022-23 indicating enhanced efficiency in GHG emissions management relative to business activities
- Adjusted for Purchasing Power Parity (PPP), the emission intensity decreased to 4.28 in FY 2024 from 5.51 in FY 2023, reflecting efforts to align environmental impact with financial performance globally

Energy

- Total energy consumption FY 2023-24 was 314.66 TJ

- HBL efforts in promoting renewable energy sources remain steadfast. We utilized 26.23 TJ of energy from renewable sources in FY 2024. Despite facing challenges, such as fluctuating availability of renewable resources, HBL continues to invest in renewable energy technologies to mitigate our environmental impact
- HBL Power Systems maintains a low energy intensity per rupee of turnover of 0.001, reflecting efficient energy management practices
- The energy intensity per rupee in terms of Purchasing Power Parity (PPP) of turnover decreased to 0.02 in FY 2024 from 0.03 in FY 2023, showcasing improvements in operational efficiency

Waste

- Focused Improvement Projects (FIPs) are implemented to reduce waste generation at the source, while a centralized scrapyards at the manufacturing locations facilitates proper segregation and disposal of

waste

- All the manufacturing locations of the company are ISO 14001-2015 certified
- HBL managed waste generation effectively across various categories. Total waste generated amounted to 4,203 metric tonnes, a decrease from 5,429 metric tonnes in FY 2023. This included 186 metric tonnes of plastic waste, 4.29 metric tonnes of e-waste, 2,704 metric tonnes of battery waste, 2,077 metric tonnes of other hazardous waste, and 232 metric tonnes of other non-hazardous waste
- Waste intensity per rupee of turnover decreased significantly to 0.01 in FY 2024 from 0.04 in FY 2023
- Adjusted for Purchasing Power Parity (PPP), waste intensity per rupee of turnover also declined to 0.38 from 0.81, reflecting enhanced resource utilization practices
- A substantial portion of the waste generated was recovered through recycling and re-use initiatives, totaling 1,850.58 metric tonnes in FY 2024. Waste

ENVIRONMENT, SOCIAL & GOVERNANCE

disposal primarily involved landfilling (235.90 metric tonnes) and other disposal operations (1,483.03 metric tonnes), aligning with environmental regulations and best practices

Water

- Majority of the facilities have maintained a zero liquid discharge status for the last two decades
- The total water withdrawn amounted to 256,514 kl and total water consumption in FY 2024 was 247,226 kl



SOCIAL

Health & Safety

- Developed comprehensive OSHA system to ensure the safety of all employees. All the manufacturing locations of the company are ISO 14001-2015 certified
- Training on safety measures during induction to all employees, including specific training such as handling hazardous materials, confined space entry, refresher training, on-site emergency training to tackle urgent situations

Employee welfare

- **Health and wellness program:** offers a range of health and wellness resources, including access

- The water intensity per rupee of turnover decreased to 1.11 in FY 2024 from 1.51 in FY 2023
- In FY 2024, we have rigorously monitored our water withdrawal across diverse sources to ensure responsible water resource management. This comprised withdrawals of 22,000 kiloliters from surface water, 218,227 kl from groundwater, and 16,287 kl from third-party sources

to counseling services, wellness apps, and health screenings. These resources are aimed at supporting physical, emotional, and mental health

- **Work-Life Balance:** Our flexible work policies, including remote work options and flexible hours, are designed to help employees balance their professional and personal lives effectively
- At HBL we prioritize regular performance and career development reviews as a cornerstone of our commitment to employee growth and excellence. 100% of our employees

- The water intensity per rupee of turnover decreased to 1.11 in FY 2024 from 1.51 in FY 2023, indicating enhanced efficiency in water utilization relative to business activities
- Adjusted for Purchasing Power Parity (PPP), the water intensity per rupee of turnover also decreased to 22.63 in FY 2024 from 30.62 in FY 2023, underscoring efforts to optimize water consumption throughout operations

and workers received performance reviews

Training & Development

- HBL conducted training program for Board and KMPs on ESG and Governance
- HBL conducted 54 training programs to all employees and workers on code of conduct, Health and safety, human rights, Anti-Corruption
- Skill upgradation is the employee is the key for innovation, in this regard HBL conducted skill upgradation program for 48.85% of employees and 33.29% of workers on requisite technology

- For the fiscal year 2023-24, our training hours are:
 - Average employee training hour per year: 36.37
 - Average worker training hour per year: 19.01

Community development

HBL impacted 2180 children by improving the malnutrition and education levels.

- Eradication of Malnutrition and Hunger
 - Beneficiaries: 2,180 Anganwadi children
 - Impact: Our initiative to combat malnutrition and hunger has directly benefited 2,180 Anganwadi children. Notably, 90% of these beneficiaries belong to vulnerable and marginalized groups, highlighting our focus on reaching those most in need. Through this project, we aim to improve the nutritional status

and overall well-being of children, contributing to their healthy development and better prospects

- Promotion of Children's Education
 - Beneficiaries: 2,180 Anganwadi children
 - Impact: We are dedicated to enhancing educational opportunities for children, with a particular emphasis on supporting marginalized and underserved communities. Our educational programs aim to provide resources, support, and opportunities to promote equal access to quality education. Although the specific number of beneficiaries is not detailed, our commitment

is reflected in our efforts to ensure that educational initiatives effectively reach those who stand to benefit the most

Supply chain

HBL Power Systems has established a Supplier Sustainability Process to guide vendor selection, incorporating a broad set of principles and guidelines. This process includes criteria for safety, health, environmental policies, legal compliance, and adherence to ISO certification standards. Additionally, we perform sustainability assessments of our key suppliers, evaluating their practices and identifying opportunities for improvement. Currently we are at 30% adherence to our sustainable sourcing goals for key raw materials (KRM).



GOVERNANCE

- As on March 31, 2024, the Company had nine Directors on the Board. Four were promoter Directors (two women). Five were independent Directors (two women)

- Corporate Environment, Social and Governance (ESG) Committee: Oversees the development and implementation of our Environmental, Social, and Governance (ESG) strategies. It ensures that

our ESG practices align with industry standards and drive sustainable growth, integrating responsible practices across our operations

Corporate information

REGISTERED OFFICE:

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

BOARD OF DIRECTORS

Executive Directors

Dr. Aluru Jagadish Prasad
Chairman & Managing Director

MSS Srinath
Executive Director
(w.e.f. May 27, 2024)

Non-Executive Independent Directors

Poruri Ganapathi Rao
Preeti Khandelwal
Karipineni Venkat Sriram
Richa Datta
Narsing Rao Singayapally
(w.e.f. February 07, 2024)
Aparna Surabhi
(w.e.f. May 27, 2024)

Non-Executive Non-Independent Directors

Advay Bhagirath Mikkilineni
Deeksha Mikkilineni
Kavita Prasad Aluru

AUDIT COMMITTEE

Poruri Ganapathi Rao - *Chairperson*
Preeti Khandelwal - *Member*
Karipineni Venkat Sriram - *Member*
Richa Datta - *Member*
Kavita Prasad Aluru - *Member*

KEY MANAGERIAL PERSONNEL

Sairam Edara - *Chief Financial Officer*
GBS Naidu - *Company Secretary*

AUDITORS

Statutory
M/s. LNR Associates
Chartered Accountants
101, 'Seshu Villa Apartments',
Gagan Mahal, Domalguda,
Hyderabad – 500029

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

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

BANKERS

State Bank of India
Axis Bank Limited
ICICI Bank Limited

REGISTRAR AND SHARE TRANSFER AGENT

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

NOTICE of Annual General Meeting

Notice is hereby given that the Thirty-eighth Annual General Meeting of the members of HBL Power Systems Limited will be held on Thursday, September 26, 2024 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, 2024 together with the reports of the Board of directors and auditors thereon.
2. To declare dividend for the year ended March 31, 2024.
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 ratify the appointment of statutory 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), the appointment of M/s. LNR Associates (FRN: 05381S), Chartered Accountants, Visakhapatnam as independent Statutory Auditor of the Company be and is hereby ratified to hold the office for a period of five years from the conclusion of 36th (thirty-sixth) Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in the year 2027, subject to ratification by 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. Ratification of Cost Auditor's Remuneration for FY 2024-25

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

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby

ratifies the remuneration of ₹10,00,000/- (Rupees Ten Lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses, payable to M/s. K. Narashimha Murthy & Co., Cost Accountants, Hyderabad (Firm Registration No 000042), who are reappointed by the Board of Directors of the Company as Cost Auditors, to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2025.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.

6. Appointment of Mr. Narsing Rao Singayapally (DIN: 00800362) as Non-Executive Vice-Chairperson of the Company (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, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mr. Narsing Rao Singayapally (DIN: 00800362), who was appointed as an Additional Director in the capacity of an Independent Director with effect from February 07, 2024, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the LODR Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory amendments, modifications

or re-enactments thereof for the time being in force), (the "Act") read with Schedule V to the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and based on the recommendation of Nomination and Remuneration Committee and the Board of Directors, approval of members of the Company be and is hereby accorded for appointment of Mr. Narsing Rao Singayapally (DIN: 00800362) as Non-Executive Vice Chairperson (Independent Director) of the Company, for a period of 5 (five) years with effect from August 08, 2024, not liable to retire by rotation.

RESOLVED FURTHER THAT based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, consent of the members be and is hereby accorded for payment of such sitting fee as the Board may decide from time to time and also for reimbursement of expenses incurred by the Non-Executive Vice-Chairman of the Company in performance of his duties in terms of Para A - Part E of Schedule II of the listing regulations.

RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorised to vary the terms of appointment.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution

7. Appointment of Mr. Mikkilineni Satyanarayana Subramanya Srinath (DIN 00319175) as an Executive Director – Promoter group

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, 188, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mr. Mikkilineni Satyanarayana Subramanya Srinath (DIN: 00319175), who was appointed as an Additional Director with effect from May 27, 2024 pursuant to the provisions of Section 161 of the Companies Act, 2013 ("Act") and the

Articles of Association of the Company and who holds office up to the date of this Annual General Meeting, and being eligible, offers for appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation in the capacity of Executive Director – promoter group.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions if any including enactments, and Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the member of the Company be and is hereby accorded for appointment of and payment of remuneration to Mr. Mikkilineni Satyanarayana Subramanya Srinath (DIN:000319175) as an Executive Director of the Company for a period of 5 years, with effect from May 27, 2024 on the following remuneration, terms and conditions as detailed below:

I. Remuneration: Not exceeding ₹92.00 lakhs per annum including following perquisites and other allowances:

II. Perquisites:

- a. House rent allowance or Provision of house accommodation subject to maximum monthly rent at 40% of the basic salary.
- b. Salary of a driver appointed by the appointee for engaging on official duties will be reimbursed by the Company.
- c. Annual leave with Salary as per the rules of the Company.
- d. Company's contribution to provident fund and gratuity as per the rules of the Company.
- e. Provision of a car for the use of Company's business and telephone at residence (including usage of mobile phone) will not be considered as perquisites.
- f. Telephone expenses (office and residence).

III. Nature of Duties:

Mr. Mikkilineni Satyanarayana Subramanya Srinath shall carry out such functions, exercise such powers and perform such duties as the Board and the Chairman and Managing Director shall, from time to time, in their absolute discretion determine and entrust to him.

Unless otherwise stipulated, for the purpose of this resolution, the perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such rule, perquisites shall be evaluated at actual cost.

RESOLVED FURTHER THAT Mr. Mikkilineni Satyanarayana Subramanya Srinath shall be entitled to reimbursement of actual travelling, boarding, lodging, entertainment and any

incidental expenses in India or abroad, incurred by him in connection with company's business purposes.

RESOLVED FURTHER THAT pursuant to provisions of Section 188(1)(f) read with Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and all other applicable provisions if any, of the Companies Act, 2013 ("the Act"), rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Regulation 23(4) of the SEBI (LODR) Regulations, 2015, as amended from time to time and subject to such approvals, consents and permissions as may be necessary, consent of the members be and is hereby given for appointment of Mr. Mikkilineni Satyanarayana Subramanya Srinath (DIN: 00319175), being related party, to office or place of profit, with such powers and authority as may be decided, from time to time, by the Board of Directors (including committees of the Board) of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution

8. Appointment of Mrs. Aparna Surabhi (DIN: 10166891) as an Independent Director

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], and Articles of Association of the Company, approval and recommendation of the Nomination and Remuneration Committee and that of the Board, Mrs. Aparna Surabhi (DIN: 10166891), who was appointed as an Additional Director in the capacity of an Independent Director with effect from May 27, 2024, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the LODR Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) years and that she shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to

any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution

9. Change in name of the Company from 'HBL Power Systems Limited' to 'HBL Engineering Limited'

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of sections 4, 5, 13, 14, 15 and other applicable provisions, if any, of the Companies Act, 2013, read with rule 29 of the Companies (Incorporation) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof for the time being in force, any other applicable law(s), regulation(s), rule(s) or guideline(s), the provisions of the Memorandum of Association and the Articles of Association of the Company and regulation 45 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to the approval of the Registrar of Companies, Central Registration Centre and other regulatory authorities, as may be applicable, consent of the members of the Company be and is hereby accorded to change the name of the Company from "HBL Power Systems Limited" to "HBL Engineering Limited".

RESOLVED FURTHER that the Board of Directors be and is hereby authorized to delegate the powers to any Director and/or Company Secretary of the Company to file all the necessary forms and/or returns and make an application in Form No. INC-24 and/or any other e-form to the ROC and/or to Central Government and/or Statutory Authorities and make an application to the stock exchanges, where the equity shares of the Company are listed and to do all such other acts, things and deeds as may be necessary and incidental thereto, to give effect to this resolution to change the name of the Company.

10. Alteration in the Memorandum of Association and the Articles of Association of the Company

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), read with Companies (Incorporation) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, any other applicable law(s), regulation(s), rule(s) or guideline(s), upon receipt of a fresh certificate of incorporation from Registrar of Companies, the Clause I i.e. Name Clause of the Memorandum of Association of the Company be substituted by the following clause:

I. "The name of the Company is **HBL Engineering Limited**".

RESOLVED FURTHER that in terms of section 14 and other applicable provisions, if any, of the Act, consent of the members of the Company be and is hereby accorded to substitute article 2(1)(d) of the Articles of Association of the Company in the following manner:

2(1)(d) "The Company" means **HBL Engineering Limited**.

RESOLVED FURTHER that upon approval by Registrar of Companies, the Memorandum of Association and the Articles of Association of the Company be altered by deleting the existing name of the Company wherever appearing and substituting it with **HBL Engineering Limited**.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorized to delegate the powers to any Director and/or Company Secretary of the Company to file all the necessary forms and/or returns and/ or any other e-form to the Registrar of Companies and/or to Central Government and/ or to Statutory Authorities for the approval as above and to do all such other acts, things, deeds and matters as may be necessary and incidental thereto, to give effect to this resolution.

11. Approval for making investments / extending loans and giving guarantees or providing securities in terms of Section 186 of the Companies Act, 2013

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

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, and subject to the necessary approvals, consents, sanctions and permissions of appropriate authorities, as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called the "Board", which term shall be deemed to include person(s) authorized and/or committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) to make loan(s) in one or more tranches and/or give guarantee(s)/ provide any security(ies) in connection with loan(s) made either in Rupee or in any other foreign currency, to the Company or other Bodies Corporate by any Banks/Financial Institutions/Bodies Corporate, situated within or outside the country, and/or to make investment by acquisition, subscription, purchase or otherwise the securities, / funds, Overnight funds, shares, rights issue, debentures, bonds,

units of mutual funds, liquid funds, stock certificates, deposits with banks / financial institutions/companies, portfolio management services, alternate investment funds etc., under all categories of securities as defined Securities Contract (Regulation) Act, 1956, as amended, or any securities floated by any State Government or Central Government and to sell /surrender /redeem the said investments as they may deem beneficial to and in the interest of the Company of any Body Corporate, subject however, that the aggregate of the loans and investments so far made in subsidiaries, associates or any other Company, if any, and the amount for which guarantees or securities have so far been provided to all persons or bodies corporate including subsidiaries or associates, if any, along with the additional investments to be made by the Company, from time to time, in future, shall not, at any time, exceed the limits prescribed under Section 186 of the Companies Act, 2013 i.e. Sixty percent of the Company's paid up capital, free reserves and securities premium account or one hundred percent of the Company's free reserves and securities premium account, whichever is more.

RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate and finalize the terms and conditions of such investments, loans, guarantees and provision of securities on behalf of the Company and to take such other steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, if any required, 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 and writings that may be required, on behalf of the Company, and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution.

12. 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 the provisions of Section 185 and other applicable provisions, if any of the Companies Act, 2013 ("Act") (including any statutory modification(s) or re-enactment thereof for the time being in force) and subject to such approvals, consents, sanctions and permissions as may be necessary, approval of the members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall include any Committee constituted by the Board or any person(s) authorized by the Board to exercise its powers, including the powers conferred by this Resolution), for giving loan(s) in one or more tranches including loan represented by way of book debt (the "Loan") to, and/or giving of guarantee(s), and/or

providing of security(ies) in connection with any Loan taken/ to be taken by any entity which is a Subsidiary or Associate or group entity of the Company in which any of the Directors of the Company is deemed to be interested as specified in the explanation to sub-section 2 of section 185 of the Act (collectively referred to as the "Entities"), of an aggregate amount not exceeding ₹100 Crores (Rupees One hundred Crores Only) in its absolute discretion deem beneficial and in the best interest of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to negotiate, finalise and agree to the

terms and conditions of the aforesaid Loans / Guarantees / Securities, and to take all necessary steps, to execute all such documents, instruments and writings and to do all necessary acts, deeds and things in order to comply with all the legal and procedural formalities and to do all such acts, deeds or things incidental or expedient thereto and as the Board may think fit and suitable."

Place: Hyderabad
Date: August 31, 2024

For and on behalf of the Board
G B S Naidu
Company Secretary

Notes:

1. Pursuant to General Circular No. 20/2020 dated 5th May, 2020 issued by the Ministry of Corporate Affairs ("MCA") read together with MCA General Circular Nos. 14 & 17/2020 dated 8th April, 2020 and 13th April, 2020 respectively and MCA General Circular No. 09/2023 dated 25th September, 2023 ("MCA Circulars"), the Company will be conducting this Annual General Meeting ("AGM" or "Meeting") through Video Conferencing/Other Audio Visual Means ("VC"/"OAVM").

Pursuant to the above-mentioned MCA Circulars, physical attendance of the Members is not required at the AGM, and attendance of the Members through VC/OAVM will be counted for the purpose of reckoning the quorum under section 103 of the Companies Act, 2013 ("the Act").

A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for the appointment of proxies by the members will not be available.

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 to 12 of the notice, is annexed. 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. In accordance with the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is 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 inward.ris@kfintech.com and investor@hbl.in.
5. Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/OAVM and vote.

6. Members whose shareholding is in electronic mode are requested to notify any change in address or bank account details to their respective depository participant(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends. Please refer to point no. 16 for the process to be followed for updating bank account details.
7. Members may note that the Board, at its meeting held on May 27, 2024, has recommended a final dividend of ₹0.50 per share and in this regard, the Register of Members and Share transfer books of the Company shall remain closed from **Saturday, September 14, 2024 to Thursday, September 26, 2024 (both days inclusive)**. The record date for the purpose of final dividend, if approved by the members, is **Friday, September 13, 2024**. The final dividend, once approved by the members in the ensuing AGM, will be paid within the statutory period, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts will be sent to their registered addresses only. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.
8. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a company on or after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

For resident shareholders, taxes shall be deducted at source under Section 194 of the IT Act as follows:

Members having valid Permanent Account Number	10%* or as notified by the Government of India (GOI)
Members not having PAN / valid PAN	20% or as notified by the GOI

* As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein the higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under section 206AB of the Finance Act, 2021.

* As per section 139AA of the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid / inoperative and he shall be liable to all consequences under the IT Act and tax shall be deducted at the higher rates as prescribed under the IT Act.

However, no tax shall be deducted on the dividend payable to resident individual shareholders if the total dividend to be received by them during financial year 2023-24 does not exceed ₹5,000, and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to resident individual shareholders aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding of tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

For non-resident shareholders, taxes are required to be withheld in accordance with the provisions of Section 195 and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20%** (plus applicable surcharge and cess) or as notified by the GOI on the amount of dividend payable. However, as per Section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI) between India and the country of tax residence of the shareholders, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the shareholders or details as prescribed under rule 37BC of the Income-tax Rules, 1962
- Copy of the Tax Residency Certificate for financial year 2023-24 obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholders
- Electronic Form 10F as per notification no. 03/2022 dated July 16, 2022 issued by the Central Board of Direct Tax [Notification can be read under notification-no-3-2022-systems.pdf ([incometaxindia.gov.in](https://www.incometaxindia.gov.in))]. Form 10F can be obtained electronically through the e-filing portal of the income tax website at <https://www.incometax.gov.in/iec/foportal>
- Self-declaration by the shareholders of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes, if applicable, duly attested by the shareholders

In case of Foreign Institutional Investors (FII) / Foreign Portfolio Investors (FPI), tax will be deducted under Section 196D of the IT Act at the rate of 20%** (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

** As per the Finance Act, 2021, Section 206AB has been inserted effective July 1, 2021, wherein the higher rate of tax (twice the specified rate) would be applicable on payment made to a shareholder who is classified as 'Specified Person' as defined under the provisions of the aforesaid Section. However, in case of a non-resident shareholder or a non-resident FPI / FII, the higher rate of tax as mentioned in section 206AB shall not apply if such non-resident does not have a permanent establishment in India.

The aforementioned documents are required to be sent to investor@hbl.in and einward.ris@kfintech.com by **11:59 p.m. IST on Friday, September 13, 2024**. No communication would be accepted from members from September 14, 2024, regarding tax-withholding matters.

TDS certificates in respect of tax deducted, if any, can be subsequently downloaded from the shareholder's portal. Shareholders can also check their tax credit in Form 26AS from the e-filing account at <https://www.incometax.gov.in/iec/foportal> or "View Your Tax Credit" on <https://www.tdscpc.gov.in>.

9. Members are requested to address all correspondence, including dividend-related matters, to RTA, KFin Technologies Limited, Unit: HBL Power Systems Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032, Telangana.
10. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's registered office or at investor@hbl.in. Members are requested to note that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall also be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.
11. In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) facility provided by KFin Technologies Limited to vote on all the resolutions set forth in this notice. Members who have cast their votes by remote e-voting prior to the AGM

may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the 'Instructions for e-voting' section which forms part of this Notice. The Board has appointed Mr. Vinay Babu Gade (Membership No. ACS 20592) (CP No. 20707) Practicing Company Secretary, as the scrutinizer ("Scrutinizer") for conducting the e-voting process in a fair and transparent manner.

12. The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges and will also be displayed on the Company's website, www.hbl.in.
13. Members holding share either in physical or dematerialized form, as on cut-off date, i.e. **Friday, September 13, 2024**, may cast their votes electronically. The e-voting period commences on **Monday, September 23, 2024 at 9:00 a.m. IST and ends on Wednesday, September 25, 2024 at 5:00 p.m. IST**. The e-voting module will be disabled by KFin Technologies Limited thereafter. Members will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. **Friday, September 13, 2024**. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.
14. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who

have not cast their vote on the resolutions through remote e-voting period mentioned above or is otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.

15. Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date, i.e. Friday, September 13, 2024, may follow steps mentioned in the Notice under 'Instructions for e-voting'.
16. In compliance with the Circulars, the Annual Report 2023-24, the Notice of the 38th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s) (DP). Members may also note that the Notice of the 38th AGM and the Annual Report 2023-24 will also be available on the Company's website, <https://hbl.in/Investors-Details.php>, websites of the stock exchanges, i.e. BSE and NSE, at www.bseindia.com and www.nseindia.com, respectively.
17. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, KFin Technologies Limited at einward.ris@kfintech.com, to receive copies of the Annual Report 2023-24 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report and update of bank account details for the receipt of dividend.

Type of holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, KFin Technologies Limited either by email to einward.ris@kfintech.com or by post to KFin Technologies Limited, Unit: HBL Power Systems Limited, Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032.	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode.	Form ISR-1
	Update of signature of securities holder.	Form ISR-2
	For nomination as provided in Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014.	Form ISR-13
	Declaration to opt out.	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of nominee).	Form ISR-14
	Form for requesting issue of duplicate certificate and other service requests for shares / debentures / bonds, etc., held in physical form.	Form ISR-4
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.	

18. Additional information, pursuant to Regulation 36 of the LODR Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.
19. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 1, 2023 vide its circular dated March 16, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA, KFin Technologies Limited, at einward.ris@kfintech.com. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP. In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2024 in accordance with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.
20. As per Section 72 of the Act, the facility for submitting nomination is available for 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 SH-13. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.
21. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
22. Instructions for e-voting and joining the AGM are as follows:

PROCEDURE FOR E-VOTING

Remote e-voting: In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended, Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, Members are provided with the facility to cast their vote electronically, through any of the modes listed below, on the resolution set forth in this Notice, by way of remote e-voting:

MODES OF E-VOTING	THROUGH DEPOSITORIES		THROUGH DEPOSITORY PARTICIPANTS
	NSDL	CDSL	
Individual shareholders holding securities in demat mode	1. Shareholders already registered for IDeAS facility may follow the below steps: <ol style="list-style-type: none"> Visit the following URL: https://eservices.nsd.com On the home page, click on the "Beneficial Owner" icon under the 'IDeAS' section. On the new screen, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" under e-voting services. Click on Company name or e-voting service provider name, i.e., KFintech and you will be re-directed to KFintech website for casting your vote. 	1. Shareholders already registered for Easi/Easiest facility may follow the below steps: <ol style="list-style-type: none"> Visit the following URL: https://web.cdslindia.com/myeasinew/home/login/ or www.cdslindia.com Click on the "Login" icon and opt for "New System Myeasi" (only applicable when using the URL: www.cdslindia.com) On the new screen, enter User ID and Password. Without any further authentication, the e-voting page will be made available. Click on Company name or e-voting service provider name, i.e., KFintech to cast your vote. 	Shareholders may alternatively log-in using the credentials of the demat account through their Depository Participants registered with NSDL/CDSL for the e-voting facility. On clicking the e-voting icon, shareholders will be re-directed to the NSDL/CDSL site, as applicable, on successful authentication. Shareholders may then click on Company name or e-voting service provider name, i.e., KFintech and will be redirected to KFintech website for casting their vote.

MODES OF E-VOTING	THROUGH DEPOSITORIES		THROUGH DEPOSITORY PARTICIPANTS
	NSDL	CDSL	

- | | |
|--|--|
| <p>2. Shareholders who have not registered for IDeAS facility may follow the below steps:</p> <ol style="list-style-type: none"> a) To register for this facility, visit the URL: https://eservices.nsdl.com b) On the home page, select "Register Online for IDeAS" c) On completion of the registration formality, follow the steps provided above. <p>3. Shareholders may alternatively vote through the e-voting website of NSDL in the manner specified below:</p> <ol style="list-style-type: none"> a) Visit the URL: https://www.evoting.nsdl.com/ b) Click on the "Login" icon available under the 'Shareholder/Member' section. c) Enter User ID (i.e., 16-digit demat account number held with NSDL), Password / OTP, as applicable, and the verification code shown on the screen. d) Post successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-voting page. e) Click on company name or e-Voting service provider name, i.e., KFintech and you will be redirected to KFintech website for casting your vote. Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. | <p>Shareholders who have not registered for Easi/ Easiest facility may follow the below steps:</p> <ol style="list-style-type: none"> a) To register for this facility, visit the URL: https://web.cdslindia.com/myeasinew/Registration/EasiRegistration/ b) On completion of the registration formality, follow the steps provided above. <p>3. Shareholders may alternatively vote through the e-voting website of CDSL in the manner specified below:</p> <ol style="list-style-type: none"> a) Visit the URL: www.cdslindia.com b) Enter the demat account number and PAN c) Enter OTP received on mobile number & email registered with the demat account for authentication. d) Post successful authentication, the shareholder will receive links for the respective e-voting service provider, i.e., KFintech where the e-voting is in progress. <p>4. For any technical assistance, Shareholders may contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or call at toll free no.: 1800225533.</p> |
|--|--|

NSDL Mobile App is available on



4. For any technical assistance, Shareholders may contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 18001020990.

TMODE OF E-VOTING	THROUGH KFINTECH
Non-individual shareholders holding securities in demat mode and Shareholders holding securities in physical mode	<ol style="list-style-type: none"> 1. In case a Shareholder receives an email from KFinTech [for Shareholders whose email IDs are registered with the Company/Depository Participants(s)], please follow the below instructions: <ol style="list-style-type: none"> a) Visit the following URL: https://evoting.kfintech.com b) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) 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 your vote. c) After entering these details appropriately, click on "LOGIN". d) 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 your first login. 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. e) You need to login again with the new credentials. f) On successful login, the system will prompt you to select the "EVENT" and click on 'HBL POWER SYSTEMS LIMITED'. 2. For obtaining the User ID and Password for e-voting, Shareholders may refer the instructions below: <ol style="list-style-type: none"> a) If the mobile number of the Shareholder is registered against Folio No./DP ID Client ID, the Shareholder may send SMS: MYEPWD E-Voting Event Number+ Folio No. or DP ID Client ID to 9212993399 Example for NSDL - MYEPWD IN12345612345678 Example for CDSL - MYEPWD 1402345612345678 Example for Physical - MYEPWD XXXX1234567890 b) If e-mail address or mobile number of the Shareholder is registered against Folio No./DP ID Client ID, then on the home page of https://evoting.kfintech.com, the Shareholder may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password. c) Shareholder may call KFinTech toll free number 1800-3094-001 for any assistance. d) Shareholder may send an e-mail request to inward.ris@kfintech.com. However, KFinTech shall endeavour to send User ID and Password to those new Shareholder whose e-mail IDs are available.

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 through 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 23, 2024 9:00 a.m. till September 24, 2024 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 open from **September 23, 2024 9:00 a.m. till September 24, 2024 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> or may send your questions to investor@hbl.in. 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 23, 2024 9:00 a.m. till September 24, 2024 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 13, 2024** 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 ON SPECIAL BUSINESS AGENDA IN THE NOTICE OF 38TH AGM [PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013]

ITEM NO. 5

Ratification of Cost Auditor's remuneration for FY 2024-25

As per the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 ("the Rules"), as amended from time to time, the Company is required to have an audit of its cost records conducted by a cost accountant in practice for products covered under the Companies (Cost Records and Audit) Rules, 2014. The Board, based on the recommendation of the Audit Committee, has approved the re-appointment of M/s K. Narashimha Murthy & Co., Cost Accountants, Hyderabad (Firm Registration Number 000042), as the Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2025, at a remuneration of 10,00,000/- (Rupees Ten Lakhs) plus applicable taxes and reimbursement of reasonable out of pocket expenses.

In accordance with Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an ordinary resolution as set out in Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors, for the financial year ending March 31, 2025.

None of the Director, Key Managerial Personnel, or their respective relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution

ITEM NO. 6

Appointment of Mr. Narsing Rao Singayapally as Non-Executive Vice-Chairperson of the Company (Independent Director)

The Board of Directors of the Company had appointed Mr. Narsing Rao Singayapally as an Additional Director of the Company with effect from February 07, 2024. In accordance with the provisions of Section 161 of Companies Act, 2013, Mr. Narsing Rao Singayapally shall hold office up to the date of the forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director for a term of five years.

The Company has received a declaration of independence from Mr. Narsing Rao Singayapally. In the opinion of the Board, Mr. Narsing Rao fulfills the conditions specified in the Companies Act, 2013 and the Listing regulations, for appointment as Independent Director of the Company.

Mr. Narsing Rao is a retired IAS, superannuated as Principle Secretary to the Chief Minister of Telangana. Apart from Indian Administrative Services, Mr. Narsing Rao occupied several positions on behalf of State and Central Govt. which includes his

occupation as a Chairman and Managing Director of Coal India Limited and The Singareni Collieries Company Limited during 2006 and 2014. His expertise includes corporate strategy, development management and organizational development.

The Nomination and remuneration Committee is of the opinion that his experience and expertise would benefit the Company and therefore appointed Mr. Narsing Rao as Non-Executive Vice-Chairperson (Independent Director) of the Company with effect from August 08, 2024.

Appointment of Mr. Narsing Rao as Non-Executive Vice-Chairperson (Independent Director) of the Company requires approval of members by way of passing of Special Resolution pursuant to the provisions of Sections 196, 197 and any other applicable provisions of the Companies Act, 2013 and Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, therefore, the Board recommends passing of Special Resolution set out at Item No. 6 of the Notice for approval by the members.

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 to the Explanatory Statement.

None of the Directors or Key Managerial Personnel is concerned or interested (financially or otherwise) in this Resolution.

ITEM NO. 7

Appointment of Mr. Mikkilineni Satyanarayana Subramanya Srinath (Mr. MSS Srinath) (DIN: 00319175) as an Executive Director of the Company.

Mr. MSS Srinath has been a Key Managerial Personnel in various positions in the Company. Due to regulatory compliance related to proportion of the independent Directors on the Board, Mr. Srinath had to re-designate his position from Executive Director to President without any change in his overall role and responsibilities in the Company. Now, with the change in composition of the Board, it is recommended for his appointment on the Board again.

The resolution seeks the approval of the members in terms of Sections 161 read with the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force) for the appointment of Mr. MSS Srinath as a Director in the category of Executive Director – Promoter group, liable to retire by rotation.

No director, key managerial personnel or their relatives, except Dr Aluru Jagadish Prasad, Mrs. Kavita Prasad Aluru, Mr. Advay Bhagirath Mikkilineni and Ms. Deeksha Mikkilineni is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item no. 7 for the approval of members.

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 to the Explanatory Statement.

ITEM NO. 8

Appointment of Mrs. Aparna Surabhi as an Independent Director

On May 27, 2024, the Board of Directors appointed Mrs. Aparna Surabhi (DIN 01641633) as an Additional Director of the Company in the capacity of Independent Director for a term of 5 years subject to approval of the Members of the Company.

In terms of section 160 of the Companies Act, 2013, the Nomination and Compensation Committee and the Board have recommended the appointment of Mrs. Aparna Surabhi as an Independent Director pursuant to the provisions of Sections 149 and 152 of the Companies Act, 2013.

The Company has received a declaration from Mrs. Aparna Surabhi confirming that he meets the criteria of independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the Company has also received Mrs. Aparna Surabhi's consent to act as a Director in terms of section 152 of the Companies Act, 2013 and a declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

In the opinion of the Board, Mrs. Aparna Surabhi fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her appointment as an Independent Director of the Company and is independent of the management.

Mrs. Aparna Surabhi will be entitled to receive remuneration by way of sitting fees as approved by the Board of Directors, reimbursement of expenses for participation in the Board meetings on a quarterly basis.

Additional information in respect of Mrs. Aparna Surabhi, pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2), is provided as Annexure to this Notice. A brief profile of Mrs. Aparna Surabhi is also provided to this Notice.

The Board of Directors recommends the resolution proposing the appointment of Mrs. Aparna Surabhi as an Independent Director of the Company, as set out in Item No. 8 for approval of the Members by way of an Ordinary Resolution.

None of the directors and Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

Item No. 9 and 10

The company's initial business was in batteries and chargers, which were often, sold as systems, to customers in Industry, Railways, Defense.

"Power Systems" in the name was appropriate at that time.

Over the years, HBL designed and developed many other businesses, with Indian Engineering talent.

These businesses sold to the same customers, but with new products. The diversification was in adjacent "product markets". For example, selling power systems to the signaling department of the railways gave us insights into customer needs to develop Kavach.

The common factor in all these products was HBL's ability to organize engineering talent. In fact, from inception, the company's forte was engineering. Even for our latest emerging businesses, it is this ability that enabled HBL to design and prototype electric vehicle "drive trains", and then heavy electric trucks.

Power Systems in the name is no longer appropriate. The Board therefore resolved to change the name to HBL ENGINEERING LIMITED subject to the approval of the members of the Company by way of special resolution, approvals of statutory, regulatory or governmental authorities as may be required under applicable laws and the consequent amendments to the Memorandum of Association and the Articles of Association of the Company. Pursuant to the form RUN (Reserve Unique Name) filed by the Company for reservation of name, the Central Registration Centre, of Ministry of Corporate Affairs, has approved the said form and reserved the proposed name i.e. "HBL Engineering Limited".

The proposed change in name would be subject to the necessary approvals in terms of Sections 4 and 13 of the Act. As the aforesaid Sections require approval of the members of the Company by way of passing Special Resolution, your Directors recommend the resolutions set out in item Nos. 09 and 10 for your approval. The Company has complied with the requirements of regulation 45 of the Listing Regulations and has obtained a certificate for the same from Statutory Auditors of the Company, which is annexed to this Notice of 38th AGM. The proposed change of name will not affect any of the rights of the Company or of the shareholders/stakeholders of the Company. All existing share certificates bearing the current name of the Company will, after the change of name, continue to be valid for all purposes Members may please note that there is change only in the name of the Company and the objects and the line of business activities remains unaltered. The Board recommends the Special Resolutions at item No. 09 and 10 for approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested in the above resolution, except to the extent of their shareholding, if any, in the Company. All the documents and resolutions passed in this regard are available for inspection by the members of the

Company, at the Registered Office of the Company on any working day (i.e. any day other than Saturday, Sunday and public holiday).

ITEM NO. 11 and 12

Approval of Members for making investments / extending loans and giving guarantees or providing securities in connection with loans u/s 186 and 185 of the Companies Act, 2013

As per the audited financial statements for the year ended March 31, 2024, the total value of investments made in, loans and guarantee given to the Subsidiaries and Associates was ₹123.65 crores which is far less than the limits prescribed under Section 186 of the Companies Act, 2013. As per the provisions of Section 186, the Board of Directors of the Company is authorized to invest, give guarantee or extend loan upto 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 bodies corporate, from time to time and for better corporate governance preferred to sought consent of the members by way of special resolution.

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, the Board of Directors recommends the resolution, as set out in Item No. 9 and 10 for approval of the Members by way of a Special Resolution.

Place: Hyderabad
Date: August 31, 2024

For and on behalf of the Board
GBS Naidu
Company Secretary

Information pursuant to Secretarial Standards-2 and Regulation 36(3) of the listing Regulations regarding appointment or reappointment of the Directors at the forthcoming annual general meeting

Name of the appointee	Advay Bhagirath Mikkileneeni	Narsing Rao Singayapally	MSS Srinath	Aparna Surabhi
DIN	09207003	00800362	00319175	10166891
Category	Promoter	Independent	Promoter	Independent
Date of Birth	05.01.1999	03.05.1958	23.04.1969	20.08.1967
Date of appointment / re- appointment	21.06.2021	07.02.2024	27.05.2024	27.05.2024
Qualification	MSc Molecular Genetics from Kings College London	Retired IAS; Masters' degree in Economics.	BA (Hons) Economics	Chartered Accountant
Brief profile and expertise in specific functional area	Molecular Genetics	Superannuated as Principal Secretary to Chief Minister of Telangana. Served as Chairman & Managing Director, Coal India Ltd and Chairman & Managing Director, Singareni Collieries Company Ltd	Mr. MSS Srinath has been an Executive Director on the Board of the Company Since 1997 till August, 2020. Mr. MSS Srinath has extensive expertise in business management and specific focus on marketing and administrative affairs.	A qualified Chartered Accountant and had been in active practice till 2019. She has around 28 years of experience in handling audits of all kinds.
Chairman/ Member of Committees of the Board of Companies of which he/she is a director	NIL	NIL	NIL	Chairperson of Audit Committee of Heritage Foods Limited
Shareholding as on 31.03.2024	39,17,600	NIL	19,56,920	NIL
Last remuneration drawn	NIL	NA	As an Executive Director - NIL	NA
Relationship with other Directors/KMP etc.	Son of Mr. MSS Srinath, Mrs Kavita Prasad Aluru and grandson of Dr. A J Prasad.	No relation	Son in law of Dr. A J Prasad.	No relation
Meetings of Board attend during the financial year 2023-24	5	1	NA	NA

Place: Hyderabad

Date: August 31, 2024

For and on behalf of the Board

GBS Naidu

Company Secretary

CERTIFICATE UNDER REGULATION 45 OF

THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

Board of Directors

HBL Power Systems Limited

8-2-601, Road No.10, Banjara Hills

Hyderabad - 500 034

1. This certificate is issued at the request of HBL Power Systems Limited (“the Company”).
2. The Company is required to submit Chartered Accountant’s certificate certifying the compliance with the conditions prescribed in sub–regulation (1) of Regulation 45 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, for change of name of the Company from “HBL Power Systems Limited” to “HBL Engineering Limited”.

Management’s Responsibility:

3. The management of the Company is responsible for ensuring the compliance with the applicable notifications, circulars and other rules and regulations of the applicable statutory and regulatory laws and rules framed there under and other relevant regulatory compliances.

Our Responsibility:

4. Pursuant to this requirement, our responsibility is to provide reasonable assurance in the form of an opinion based on our review of the relevant records produced by the company for certifying the change of name of the company.
5. We conducted our examination in accordance with the ‘Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)’ issued by the Institute of Chartered Accountants of India (“the Guidance Note”). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Based on our examination and according to the information and explanations provided to us, pursuant to Regulation 45 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we hereby confirm that:

S No.	Conditions as per Regulation 45(1)	Our opinion
1	The time period of one year has elapsed from the last name change that occurred in the year	The last name change of the company was on October 20, 2006 i.e. HBL NIFE Power Systems Limited to HBL Power Systems Limited.
2	At least fifty per cent of the total revenue in the preceding one year period has been accounted for by the new activity suggested by the new name	Not Applicable (As there is no change of activities of the Company)
3	The amount invested in the new activity/project is atleast fifty percent of the assets of the listed entity	Not applicable (As there is no change in the objects and business activities of the Company)

This certificate is issued in the capacity of Statutory Auditors at the request of the Company pursuant to the requirement of Regulation 45 (3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

For LNR Associates,
Chartered Accountants
Firm Regn No: 053815

Raghuram Vedula
Partner

M.No : 242883

UDIN: 24242883BKGWFQ6914

Place: Visakhapatnam

Date: August 30, 2024



DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Thirty-eighth Annual Report for the financial year ended on March 31, 2024. The standalone financial performance is presented below prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) as amended.

(₹ in Crs)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations	2,208.59	1,349.75	2,233.35	1,368.68
Other Income	16.65	17.84	17.91	17.68
Total Income	2,225.25	1,367.59	2,251.26	1,386.36
Total Expenditure	1,841.91	1,242.59	1,864.09	1,259.25
Earnings before interest, tax, depreciation and tax (EBITDA)	435.17	165.54	441.38	169.12
Finance Costs	12.42	6.23	12.94	6.55
Depreciation & Amortization expenses	39.41	34.31	41.26	35.46
Profit before Exceptional items and Tax	383.34	125.00	387.18	127.11
Exceptional Items – Income / (Expenses)	(28.17)	1.33	(28.08)	1.33
Share of Profit/loss of associates	0.00	0.00	17.69	1.35
Profit before tax (PBT)	355.17	126.33	376.78	129.80
Provision for tax & Deferred tax adjustment	91.38	30.79	96.44	31.35
Non-controlling interest	-	-	(0.54)	(0.21)
Net profit for the period	263.79	95.54	280.89	98.65
Earnings Per Share (Diluted EPS of Rupees)	9.46	3.42	10.07	3.51
Proposed dividend on share of ₹1 each	50%	-	-	-

Performance Review and operating results

Standalone revenue from operations witnessed a growth of over 63% at ₹2,208.59 Crores in FY 2024, against previous years revenue of ₹1,349.75 Crores. The profit after tax for the financial year 2024 was ₹263.79 Crores as compared to previous years' ₹95.54 Crores which is around 176% higher. Exceptional income is net of monetization of non-productive assets and assets written off during the year.

For detailed presentation on the segment-wise performance of the reporting period, future growth, risks and opportunities, please read the Management Discussion and Analysis section of this annual report.

Dividend

Your Directors are pleased to recommend a final dividend of 50% (i.e. ₹0.50 paise per equity share of ₹1 each fully paid up) for the Financial Year 2023-24 subject to the approval of the members at the ensuing annual general meeting. The proposed final dividend, if approved by the members, would involve cash out flow of ₹13.86 Crores and will be paid subject to deduction of applicable tax pursuant to Finance Act, 2020. Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company had formulated a Dividend Distribution Policy ('the Policy'). The Policy is available on the Company's website at <https://hbl.in/reports/HBL-Policies.pdf>.

The details of book-closure and record date for entitlement of members to receive dividend, if approved, for the financial year March 31, 2024 is given in the notes to the notice of annual general meeting of this annual report.



Consolidated Financial Statement

The Consolidated Financial Statements of the Company, its subsidiaries and associates, prepared in accordance with the Companies Act, 2013 and applicable Indian Accounting Standards along with all relevant documents and the Auditors' Report form part of this annual report. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiaries and associates.

The Consolidated Revenue from operations was ₹2,233.35 crores in the current year as compared to ₹1,368.68 crores in the previous year, registering substantial increase. The consolidated profit after tax was ₹280.89 crores as against ₹98.65 crores in the previous year.

A statement containing the salient features of the Financial Statement of the subsidiary companies is attached to the Financial Statement in Form AOC-1 pursuant to Section 129(3) of the Companies Act, 2013.

Additionally, the Company will make available the said financial statement of the subsidiary companies pursuant to the provisions of Section 136 upon a request by any Member of the Company or its subsidiary(ies) including associate companies. These financial statements of the Company, the subsidiary(ies) and associate companies would be available on the website of the Company at <https://hbl.in/Investors-Details.php>.

Subsidiary and Associate Companies (as on March 31, 2024)

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 companies and their contribution on overall performance of the company. Accordingly, we hereby furnish the following:

Subsidiary companies	HBL America Inc. USA HBL Germany GmbH, Germany Torquedrive Technologies Private Limited TTL Electric Fuel Private Limited SCIL Infracon Private Limited – dormant Company.
Associate companies	Naval Systems and Technologies Private Limited Tonbo Imaging India Private Limited

The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary and associates companies 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.

There has been no material change in the nature of the businesses of the subsidiaries except as disclosed hereunder.

Performance of subsidiaries and associates and their contribution on overall performance of the Company:

The details with respect to contribution to assets and other information are provided in Form AOC-1 attached to the financial statements of the Company.

Share Capital

The paid up-capital of the Company is ₹27,71,94,946 divided into 27,71,94,946 equity shares of ₹1 each, fully paid-up. Company has not issued different class of securities except equity. There is no change in the share capital of the Company.

Material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of the report.

There were no material changes and commitments affecting the Company's financial position between the end of the financial year and the date of this Report.

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 38th AGM and being eligible, has offered for re-appointment.

Pursuant to the recommendation of Nomination and Remuneration Committee, the Board has, approved the appointment of Mr. Narsing Rao Singayapally (DIN 00800362) and Mrs. Aparna Surabhi (DIN: 01641633) as an Additional Director (Non-Executive Independent Director) with effect from February 07, 2024 and May 27, 2024 respectively to hold office upto the date of ensuing annual general meeting, subject to approval of the shareholders of the Company. Necessary resolution for their appointment is being placed for the approval of shareholders as part of the notice of the 38th AGM. Brief profile of the appointees have been provided elsewhere in the annual report.

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

On the recommendation of Nomination and Remuneration Committee, the Board has, appointed of Mr. Mikkilineni Satyanarayana Subramanya Srinath (MSS Srinath) (DIN 00319175) as an Additional Director with effect from May 27, 2024 who will hold office upto the date of this annual general meeting. The Board also appointed Mr. MSS Srinath as an Executive Director, subject to approval of the members of the Company in the ensuing annual general meeting. Necessary resolutions for his appointment as Director as well as Executive Director is being placed for the approval of shareholders as a part of the notice of the 38th AGM.

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.

Change in Key Managerial Personnel

During the year under review, there were no changes Key Managerial Personnel.

Number of meetings of the board

Five 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.

Committees of the Board

As required under the Companies Act, 2013 and the SEBI Listing Regulations, your Company has constituted various Statutory Committees. Additionally, the Board has formed other governance committees and sub-committees to review specific business operations and governance matters including any specific items that the Board may decide to delegate. As on March 31, 2024, the Board has comprised the following committees:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholders' Relationship Committee
5. Risk Management Committee

Details of composition, terms of reference and number of meetings held for respective committees are given in the Report on Corporate Governance, which forms a part of this Report. Further, during the year under review, all recommendations made by the various committees have been accepted by the Board.

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

In compliance of Section 186 of the Act, HBL made financial investment of ₹86.67 Crores in Tonbo Imaging India Private Limited, Bangalore and a nominal investment in Tonbo Imaging Pte Ltd, Singapore during the reporting period. HBL holds 15.83% of the share capital in Tonbo on fully diluted basis.



HBL also acquired 60% shareholding in TTL Electric Fuel Private Limited from its Subsidiary Company Torquedrive Technologies Private Limited. Consequent to such acquisition, TTL Electric Fuel Private Limited became a subsidiary of HBL. The unsecured loan of ₹2.20 crores and corporate guarantee to Bank for ₹12.71 Crores for the credit facilities availed by TTL Electric Fuel Private Limited continues. Other particulars of loans, guarantees and investments have been disclosed in the financial statements.

Transactions with related parties

All contracts/ arrangements/ transactions entered by the Company during the FY 2023-24 with related parties were on an arm's length basis and in the ordinary course of business and approved by the Audit Committee. Certain transactions, which were repetitive in nature, were approved through omnibus route.

As per the SEBI Listing Regulations, if any Related Party Transactions ('RPT') exceeds ₹1,000 crore or 10% of the annual consolidated turnover as per the last audited financial statement whichever is lower, would be considered as material and would require Members approval. In this regard, the Company has obtained necessary approval of the members at the previous annual general meeting. However, there were no material transactions of the Company with any of its related parties as per 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.

The details of RPTs during FY 2023-24, including transaction with person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company are provided in the accompanying financial statements.

During the FY 2023-24, the Non-Executive Directors of the Company had no pecuniary relationship or transaction with the Company other than sitting fees, commission and reimbursement of expenses, as applicable.

Pursuant to the requirements of the Act and the SEBI Listing Regulations the Company has formulated a policy on RPTs and is available on Company's website URL: <https://hbl.in/reports/HBL-Policies.pdf>

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.

Secretarial Standards

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

Business responsibility and sustainability report

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility and Sustainability Report ('BRSR') on initiatives taken from an environmental, social and governance perspective, in the prescribed format is available as a separate section in the Annual Report.

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 2023-24.

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 labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending as on the end of the financial year.

S. No	Category	Complaints filed during the year	Pending as on end of the 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 Ms. Sucharita Palepu, 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.

Human resources

Please refer to the paragraph on Human Resources / Industrial Relations in the Management Discussion & Analysis section for detailed analysis.

Diversity and inclusion

Diversity and inclusion at workplace helps nurture innovation, by leveraging the variety of opinions and perspectives coming from employees with diverse age, gender and ethnicity. The Company assists the employees through awareness drives or personal interactions, to build an approach of open mindedness, express of thoughts and culture. The Company employed 5.92% women employees in FY 2023-24 vis-à-vis 5.63% in FY 2022-23.

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. Aluru Jagadish Prasad	Suresh Kalyan	MVV Vidyasagar	Sairam Edara
Total remuneration CTC	₹103.35 lakhs and commission ₹1,905.63 lakhs	₹139.14 lakhs	115.38 lakhs	₹85.46 lakhs
Designation and Nature of Duties	Chairman and Managing Director	Chief Operating Officer (COO)	President – Electronics Group	Chief Financial Officer
Qualification	B. Tech from IIT, Kharagpur, MS in Management from Massachusetts Institute of Technology USA, Doctorate in International Business from Columbia University, USA.	BSc. Chartered Accountant	BE (Electrical & Electronics)	Qualified CPA (USA) from State Board of Accountancy, Arizona, USA, a Member of ICAI and ICSI, Law graduate from Osmania University, Hyderabad.
Date of commencement of employment	Promoter of the Company	17.11.2014	01.04.2011	29.03.2023
Age (years)	78 years	60 years	60 years	59 years
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.	Group CFO - Archean group.



- 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 Director 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:

Key Managerial Personnel	Remuneration for the financial year (In Lakhs)		% increase
	March 31, 2024	March 31, 2023	
Dr. Aluru Jagadish Prasad, Chairman and Managing Director	103.35	103.35	-
Kavita Prasad Aluru, Executive Director (up to Aug 09, 2023)	12.87	33.30	NA
MSS Srinath, President	56.60	56.60	-
GBS Naidu, Company Secretary	40.16	-	-
Sairam Edara, Chief Financial Officer	85.46	-	-

- c. The percentage increase in the median remuneration of employees in the financial year: 9.22%
- d. The number of permanent employees on the rolls of Company: 1,875 (as at 31 March 2024)
- e. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of KMP in 2023-24	₹ lakhs	298.44
Commission on profits to CMD		1905.63
Revenue	₹ lakhs	2,20,859.42
Profit before tax	₹ lakhs	38,334.27
Remuneration of KMPs	as % of revenue	1.00
Remuneration of KMP	as % of PBT	5.75

- f. Comparison of remuneration of each the key managerial personnel (March 31, 2024):

Name of the KMP	Designation	₹ In lakhs		
		Remuneration	Commission on profit	Total
Dr. Aluru Jagadish Prasad	Chairman and Managing Director	103.35	1,905.63	2,008.98
Kavita Prasad Aluru	Executive Director (up to Aug 09, 2023)	12.87	-	12.87
MSS Srinath	President	56.60	-	56.60
GBS Naidu	Company Secretary	40.16	-	40.16
Sairam Edara	Chief Financial Officer	85.46	-	85.46
	Total	298.44	1,905.63	2,204.07

- g. The key parameters for any variable component of remuneration availed by the directors:
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.
Commission on net profits was paid to Chairman and Managing Director only in addition to the monthly remuneration as disclosed elsewhere in this report.
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.
- 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.**
Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo

Disclosure requirements

As per listing Regulations, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached separately, 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 including directors of the Company to report genuine concerns.

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 Report

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 LNR Associates, Chartered Accountants (FRN 05381S) Visakhapatnam who are the Statutory Auditors of the Company have been appointed by the members at the 36th Annual General Meeting (AGM) of the Company held on September 27, 2022 for a period of five years to hold office till the conclusion of AGM in 2027 subject to ratification of members at every year AGM. Accordingly, ratification of their appointment is being recommended at the ensuing AGM.

The Report given by M/s. LNR Associates, Chartered Accountants on the financial statements of the Company for the year 2023-24 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

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant. Your Board, on the recommendation of Audit Committee 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 2024-25, subject to the approval from Central Government, if any.

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 mended from time to time.

Secretarial Auditors

CS Vinay Babu Gade, Practicing Company Secretary issued a Secretarial Auditor for the financial year 2023-24 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 2023-24.

General

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these items during the year under review:

- ✓ There are no significant material orders passed by the Regulators or Courts or Tribunal, which would impact the going concern status of the Company and its future operation. However, Members attention is drawn to the Statement on Contingent Liabilities and Commitments in the Notes forming part of the Financial Statement.
- ✓ No fraud has been reported by the Auditors to the Audit Committee or the Board.
- ✓ There has been no change in the nature of business of the Company.

Cautionary Statement

Statements in this Annual Report, particularly those 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.

Place: Hyderabad Date: August 08, 2024	For and on behalf of the Board Dr. Aluru Jagadish Prasad Chairman and Managing Director
---	---



ANNEXURE

Conservation of energy, technology absorption, foreign exchange earnings and outgo for the Financial Year 2023-2024

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts of Companies) Rules, 2014]

- A. Conservation of Energy: Energy saving devices such as re-cycling of heat, biomass based boilers 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:

(₹ Crs)

SL. NO.	PARTICULARS	2023-24	2022-23
A	VALUE OF IMPORTS (ON ACCRUAL BASIS)		
	Raw Materials, Components & Spares	160.84	133.43
	Capital Items/Equipment	3.59	1.09
B	EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)		
	Travelling Expenses		
	Professional Charges	3.59	0.08
	Commission	3.58	3.31
	Marketing Expenses	2.83	2.67
	Advances/Others	1.28	2.23
	Total	175.71	142.81
C	INCOME IN FOREIGN CURRENCY (ON ACCRUAL BASIS)		
	Export Sale	288.08	210.73
	Services	2.55	3.37

Place: Hyderabad
Date: August 08, 2024

For and on behalf of the Board
Dr. Aluru Jagadish Prasad
Chairman and Managing Director

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 ended March 31, 2024 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; SEBI listing regulations and other applicable regulations, if any, 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
HBL Germany, GmbH	Wholly owned subsidiary
HBL America Inc, USA	Wholly owned subsidiary
Torquedrive Technologies Private Limited	Wholly owned subsidiary
TTL Electric Fuel Private Limited	Subsidiary Company
Kavita Prasad Aluru - Trustee for Aluru Family Private Trust	51.30% shareholding in the Company.
Kavita Prasad Aluru - Trustee for Mikkilineni Family Private Trust	0.09% shareholding in the Company.
Naval Systems and Technologies Private Limited	Associate company
Tonbo Imaging India Private Limited	Associate Company
SCIL Infracon Private Limited	Wholly owned subsidiary – dormant Company

(ii) Key Managerial Personnel

Name of the Key Managerial Personnel	Nature of relationship
Dr Aluru Jagadish Prasad	Chairman and Managing Director
Kavita Prasad Aluru	Non-Executive Director (daughter of CMD)
Advay Bhagirath Mikkilineni	Non-Executive Director (grandson of CMD)
MSS Srinath	President (Spouse of Kavita Prasad)
Mikkilineni Deeksha	Non-Executive Director (grand daughter of CMD)
Sairam Edara	Chief Financial Officer
GBS Naidu	Company Secretary

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: arrangements are ongoing.

d. Date(s) of approval by the Board, if any: For transactions with entities mentioned in table (a)(i) above, necessary approval was obtained at the 37th Annual General Meeting of the Company held on September 28, 2023. In respect of the related parties covered in table (a)(ii) approval of the Board and shareholders 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

DIN 00057275

Place: Hyderabad

Date: August 08, 2024

**ANNUAL REPORT ON CSR ACTIVITIES**

[For the financial year March 31, 2024]

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014]

Brief outline on CSR Policy of the Company

The primary purpose of HBL's CSR policy is to "bring constructive change in the standard of societies around us". The primary purpose endorses improvement in the quality of life of the communities it operates and serves through long-term stakeholder value creation which includes carrying about social, economic, and environmental change by investing in projects that empowered girls and women and contributed to environmental conservation.

The CSR Policy of your Company outlines this purpose and direction given by the Board of Directors of your Company, as per the recommendations of its Corporate Social Responsibility Committee ("CSR Committee"), and includes guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the annual CSR action plan. The CSR projects undertaken are also listed in the CSR policy. Also, in accordance with the Companies Act, 2013, your Company has committed atleast 2% annually towards CSR initiatives.

HBL'S CSR Journey:

Corporate Social Responsibility (CSR) has been an important part of the HBL's overall philosophy of giving back to the society which was initiated five years before the statutory mandate under the Companies Act. The Company believes in undertaking business in a way that will lead to overall development of all stakeholders in and around the locations it operates. Achieving various means of social combination is the administrative ideology of the Company's CSR policy.

- Reforestation in and around our manufacturing plants – Almost 70% of our land area (163 acres) has green cover with over 51,000 trees. This makes our facilities a pleasant place to work and a good neighbor to host neighborhoods.
- The CSR Budget was started with ₹2.14 lakhs in the year 2008-09 and for the current financial year (2024-25) CSR Committee and Board has approved a budget of ₹425 lakhs.
- The supports to the Anganwadi are started with 4 benefitting 175 children. As at March 31, 2024 over 123 Anganwadi Centers providing teaching and support for nearly 2,500+ children in the 3 - 5 years age group.
- Nutrition Program - Organizing mid-day meal programme through Akshaya Patra Foundation
- HBL provides support for Anuraag - a home for differently abled children; NICE – a center for needy illiterate children education and Jyothi Ashram - an orphanage.
- At Anganwadi Centers counselling sessions are being organized to the parents of the beneficiaries every month and also medical checkups are being conducted for every child.
- Covid-19 pandemic was a tough period to continue the CSR activities. Most of the Anganwadi Centers were inactive during the lock-down but CSR team ensured to provide nutritious food by way 'Happiness kits'.
- Covid inspired CSR activities to take to next level and decided to digitize the Anganwadi centers. As a first step, televisions were provided to the Model Anganwadi Centers which demonstrated tremendous improvement in the quality of pre-school learning through audio-video presentations. Gradually CSR project will cover all other eligible Anganwadi centers.

CSR spending during last five financial years

(₹ In Lakhs)

Financial Year	2018-19	2019-20	2020-21	2021-2022	2022-23
Amount Spent	107.35	115.68	45.24	102.00	167.37

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	1
5	Kavita Prasad Aluru	Member - Non-Executive Director	3	3

2. Prescribed CSR expenditure:

During financial year, the Company was required to spend a minimum of ₹177.05 lakhs, computed as per the provisions of the Companies Act, 2013. However, the CSR Committee and the Board have approved budget of ₹200 lakhs. Against the approved budget, the Company spent ₹178.94 lakhs which is higher than the statutory requirement under the Act.

₹ lakhs

Sl No.	Sector - CSR Project	Project area	Actual	Direct /indirect
1	Eradication of Malnutrition and Hunger	Telangana – Shameerpet, Tumkunta, Mahbubnagar and Nandigaon, Andhra Pradesh - Vizianagaram, Visakhapatnam and Narsaraopeta	78.35	Direct
2	Promotion of Children Education	Telangana – Shameerpet, Tumkunta, Mahbubnagar and Nandigaon, Andhra Pradesh - Vizianagaram, Visakhapatnam and Narsaraopeta	78.02	Direct
3	Safe drinking water	Telangana and Andhra Pradesh	7.37	Indirect
4	Contribution to eligible Orphanages / Old age homes	Donations	15.20	Indirect
Grand Total			178.94	

The above spending does not include unspent amount relating to previous years. During the reporting financial year the balance of ₹6 lakhs in the Unspent CSR account was spent in full and there is no balance in said account. The spending out of the CSR unspent account was in compliance with the provisions of the Companies Act, 2013.

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.

excess amount spent in the Financial year	Minimum spending obligation [Section 135(5)]	Actual amount spent	Amount available for set off [Rule 7(3)]	Financial year upto which set off can be availed	Cumulative amount available for set off
2021-22	63.00	102.03	39.03	2024-25	39.03
2022-23	119.75	167.37	47.62	2025-26	86.65
2023-24	177.05	178.94	1.89	2026-27	88.54

6. Average net profit of the Company as per Section 135(5) of the Act: ₹8,853 lakhs

7. Information as per Section 135 of the Act:

(a) Two percent of average net profit of the company as per section 135(5)	₹177.05 lakhs
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Not claimed
(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)	₹177.05 lakhs

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

Total Amount Spent during the Financial Year. (₹ In lakhs)	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
178.94	-	-	-	-	-

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

₹ In lakhs

Sl. No. of the Project	Name of the Project	Item in Schedule VII	Local area (Yes/No)	Location of the project State and District(s)	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year	Amount transferred as per Section 135(6)	Implementation - Direct (Yes/No)	Implementation through agency Name	Implementation through agency CSR Registration number
1	Health	Eradicating poverty, hunger, malnutrition, health for children below 6 years age	Yes	Telangana State Medchal-Malkajgiri, Mahboonagar and Rangareddy Andhra Pradesh Visakhapatnam, Vizianagaram and Guntur	Open ended	108.00	78.35	NIL	Yes	NA	NA
		Safe dirking water	Yes	Telangana State and Andhra Pradesh	-	-	7.37	NIL	Yes	NA	NA
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 Andhra Pradesh Visakhapatnam, Vizianagaram and Guntur	Open ended	47.00	78.02	NIL	Yes	NA	NA
Total						155.00	163.74	NIL			

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

₹ In lakhs

Sl. No. of the Project	Name of the Project	Item in Schedule VII	Local area (Yes/No)	Location of the project State and Districts	Amount spent for the project	Mode of Implementation Direct	Implementation through agency Name	Implementation through agency CSR Registration number
1	Education	Promoting quality of education for children by providing required facilities (Soft & Hard)	Yes	Telangana State Medchal-Malkajgiri Rangareddy Andhra Pradesh Vizianagaram Guntur	1.20 2.00 1.00	NA	The Akshaya Patra Foundation Association Saikorian Needy Illiterate Children Education	CSR00000286 CSR00019351 CSR00013933
2	Health /Projects	Supporting in Old age & Orphanage people and Health care projects for under-prividged people	Yes	Telangana State Medchal-Malkajgiri Rangareddy Andhra Pradesh - Vizianagaram & Guntur Maharashtra	1.20 1.80 8.00	NA	Jyothi Orphan Ashram Medical Educational & Nature Service Dwaraka Mai Seva Trust	CSR00034540 CSR00032475 CSR00024141
Total					15.20	-		

- (d) Amount spent in Administrative Overheads: NIL
(e) Amount spent on Impact Assessment, if applicable: Not applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹178.94 Lakhs
(g) Excess amount for set off, if any

(₹ In lakhs)

S. No.	Particular	Amount
1	Two percent of average net profit of the company as per section 135(5)	177.05
2	Total amount spent for the Financial Year	178.94
3	Excess amount spent for the financial year [(ii)-(i)]	1.89
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	86.65
5	Amount available for set off in succeeding financial years [(iii)-(iv)]	*88.54

*see para 5 above.

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Spent upto the end of financial year 2022-23	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount to be spent in succeeding financial years
					Name of the Fund	Amount	Date of transfer	
1	2020-21	59.76	21.58	6.00	NA	-	-	NIL

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

(₹ In lakhs)

Sl. No.	Project	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	6.00	59.76	Ongoing
Total					59.76	6.00	59.76	

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. : NA
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : NA

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: NA

Place: Hyderabad
Date: August 08, 2024

Dr. Aluru Jagadish Prasad
Chairman and Managing Director
DIN: 00057275

Poruri Ganapathi Rao
Chairperson, CSR Committee
DIN: 00089685

**FORM NO. MGT-9****EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2024**

[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 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 industrial and defence & aviation batteries, 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	HBL America Inc. USA	Not applicable	WOS	100	2(87)
2	HBL Germany GmbH, Germany	Not applicable	WOS	100	2(87)
3	Naval Systems and Technologies Pvt Ltd. Plot 563. Road 31 Jubilee Hills Hyderabad-500 033	U31403TG2006PTC051006	Associate	41	2(6)
4	Torquedrive Technologies Private Limited 8-2-601, Road No.10, Banjara Hills, Hyderabad-500034, Telangana	U29100TG2021PTC148083	WOS	100	2(87)
5	TTL Electric Fuel Private Limited 8-2-601, Road No.10, Banjara Hills, Hyderabad-500034, Telangana	U74999TG2021PTC153003	Subsidiary	60	2(87)
6	SCIL Infracon Private Limited ## Sy.No.26, Kubera Towers, Trimulgherry, Secunderabad - 500 015	U45400TG2007PTC054295	WOS	100	2(87)
7	Tonbo Imaging India Private Limited Chikkayellappa Tower II, 1 st C Main, Jakassandra Ext Koramangala, Bengaluru 560034, Karnataka	U74140KA2003PTC033043	Associate	15.83	2(6)

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.

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 as at 01.04.2023		No. of Shares held as at 31.03.2024		% Change
		D/mat	Physical	D/mat	Physical	
A	PROMOTERS AND PROMOTERS GROUP					
1.	INDIAN					
a.	Individual/HUF	2,13,93,317	-	2,13,93,317	-	7.72
b.	Central Government/State Government(s)	-	-	-	-	-
c.	Bodies Corporate	14,23,75,777	-	14,24,58,992	-	51.39
d.	Financial Institutions / Banks	-	-	-	-	+0.03
e.	Others	-	-	-	-	-
	Sub-Total (A)(1)	16,37,69,094	-	16,38,52,309	-	59.11
	FOREIGN					+0.03
2.	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-
b.	Bodies Corporate	-	-	-	-	-
c.	Institutions	-	-	-	-	-
d.	Qualified Foreign Investor	-	-	-	-	-
e.	Others	-	-	-	-	-
	Sub-Total (A) (2)	-	-	-	-	-
	Total (A)	16,37,69,094	-	16,38,52,309	-	59.11
B	PUBLIC SHAREHOLDING					
1	Institutions					
a.	Mutual Funds	-	-	2,41,037	-	0.09
b.	Financial Institutions /Banks	2,500	-	2,500	-	0.00
c.	Central Government / State Government(s)	-	-	-	-	-
d.	Venture Capital Funds	-	-	-	-	-
e.	Insurance Companies	-	-	2,032	-	0.00
f.	Foreign Institutional / Portfolio Investors	25,32,946	-	1,27,07,216	-	4.59
g.	Foreign Venture Capital Investors	-	-	-	-	+3.67
h.	Alternate Investment fund	-	-	15,78,091	-	0.57
i.	Others	32,000	4,000	36,000	4,000	-0.01
	Sub-Total (B) (1)	25,67,446	4,000	1,45,30,876	4,000	5.25
2	Non - Institutions					
a.	Bodies Corporate	67,59,475	2,000	67,61,475	2,44	1.54
b.	Individuals	-	-	42,66,174	1,000	-0.90
i.	Individuals holding nominal share capital upto ₹2 lac	7,89,66,257	23,77,464	8,13,43,721	29,35	27.27
ii.	Individuals holding nominal share capital in excess of ₹2 lac	1,38,08,052	-	1,38,08,052	4,98	-2.08
c.	Others	89,41,158	-	89,41,158	3,23	3.98
	Sub-Total (B) (2)	10,84,74,942	23,79,464	11,08,54,406	39,99	2.86
	Total (B)	11,10,42,388	23,83,464	11,34,25,852	40,92	-4.35
C.	Shares held by Custodians and against which depository Receipts have been issued	-	-	-	-	-0.03
	GRAND TOTAL (A)+(B)+(C)	27,48,11,482	23,83,464	27,71,94,946	100.00	100.00



b. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2023			Shareholding at the end of the year i.e. 31.03.2024			% Change during the year
		No. of Shares	% of total Shares	% of Shares Pledged	No. of Shares	% of total Shares	% of Shares Pledged	
1.	Dr. Aluru Jagadish Prasad	26,92,827	0.97	0.00	26,92,827	0.97	0.00	-
2.	Mrs. Kavita Prasad Aluru	97,88,386	3.53	0.00	97,88,386	3.53	0.00	-
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	0.71	0.00	19,56,920	0.71	0.00	-
5.	Mikkilineni Deeksha	20,87,187	0.75	0.00	20,87,187	0.75	0.00	-
6.	Mrs. A Uma Devi	9,50,397	0.34	0.00	9,50,397	0.34	0.00	-
7.	Kavita Prasad Aluru- Trusetee for Aluru Family Private Trust	14,21,22,643	51.27	0.00	14,22,05,858	51.30	0.00	+0.03
8.	Kavita Prasad Aluru - Trustee for Mikkilineni Family Private Trust	2,53,134	0.09	0.00	2,53,134	0.09	0.00	-
Total		16,37,69,094	59.08	0.00	16,38,52,309	59.11	0.00	+0.03

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 Aluru- Trusetee for Aluru Family Private Trust	14,21,22,643	51.27	Acquired on various dates	+83,215	+0.03	14,22,05,858	51.30

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 01.04.2023		Cumulative Shareholding as at 31.03.2024	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Anant Jain	19,59,696	0.71	19,85,472	0.72
2	Vanguard Total International Stock Index Fund	-	-	16,25,240	0.59
3	Vanguard Emerging Markets Stock Index Fund	-	-	15,41,814	0.56
4	Zaki Abbas Nasser	15,75,000	0.57	12,25,000	0.44
5	Government Pension Fund Global	-	-	11,15,039	0.40
6	Ishares Core MSCI Emerging Markets	-	-	9,85,961	0.36
7	Investor Education And Protection Fund	9,72,210	0.35	9,72,210	0.35
8	Vanguard Fiduciary Trust Company Institutional	-	-	7,93,541	0.29
9	Ask Emerging Opportunities Fund	-	-	7,68,251	0.28
10	Hitesh Narsinhbhai Patel	6,93,000	0.25	7,65,000	0.28

e. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Beneficiary Account no	Name of the Shareholder	Date	Shareholding as at 01.04.2023		Cumulative Shareholding as at 31.03.2024	
				No. of shares	% of total shares	No. of Shares	% of total shares of the company
1	IN303559-10011800	Dr. Aluru Jagadish Prasad	01.04.2023	26,92,827	0.97	26,92,827	0.97
			31.03.2024				
2	IN303559-10001640	Mr. MSS Srinath	01.04.2023	19,56,920	0.70	19,56,920	0.70
			31.03.2024				
3	IN303559-10001666	Mrs. Kavita Prasad Aluru	01.04.2023	97,88,386	3.53	97,88,386	3.53
			31.03.2024				

f. Indebtedness: Indebtedness of the Company including interest outstanding / accrued but not due for payment as at March 31, 2024.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness In lakhs
Indebtedness at the beginning of the financial year				
i. Principal Amount	4,728.80	-	-	4,728.80
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,728.80	-	-	4,728.80
Change in indebtedness during the financial year				
- Addition	6,919.38	-	-	6,919.38
- Reduction	(8,463.65)	-	-	(8,463.65)
Net Change	3,184.53	-	-	3,184.53
Indebtedness at the end of the financial year				
i. Principal Amount	3,184.53	-	-	3,184.53
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,184.53	-	-	3,184.53

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. Aluru Jagadish Prasad	Kavita Prasad Aluru	
1	Total Salary (₹)	103.35	12.87	116.22
2	Commission on profit (₹)	377.58	-	377.58
	Total	480.93	12.87	493.80

Kavita Prasad Aluru was paid remuneration upto August 09, 2023

(ii). Remuneration to other Directors:

Fee for attending board / committee meetings: Independent Directors	Amount (₹) - Gross
CA Poruri Ganapathi Rao	2,45,000
Mr. Karipineni Venkata Sriram	2,45,000
Total	4,90,000

Mrs. Preeti Khandelwal and Mrs. Richa Datta, Non-Executive Independent Directors, have 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	GBS Naidu Company Secretary	Sairam Edara Chief Financial Officer	
	Total Salary	56.60	40.16	85.46	182.22

h. Penalties / Punishment/ Compounding of Offences: Below are the penalties and compounding of offences levied during the year ended March 31, 2024:

1. With respect to FDI received by the erstwhile holding Company of HBL namely Beaver Engineering and Holdings Private Limited (Beaver Engineering), the Reserve Bank of India, directed erstwhile holding Company to file compounding application for delayed reporting of the receipt of the FDI as per FEMA regulations. Since the erstwhile Company was amalgamated into HBL in the year 2017, the compounding application was made by HBL on behalf of Beaver Engineering. HBL made necessary representation in support of timely submissions with Authorised Dealer, who failed to forward the same to RBI within the prescribed time. RBI while considering the compounding application, considered the facts and took a lenient view and levied a fee of ₹10,70,000/- vide its order dated August 02, 2023. The Company has accordingly paid the fee within the prescribed time.
2. With respect to unauthorized disposal of hazardous waste of 31.79 MT of HW by the contractor of the Company outside the premises, the Andhra Pradesh Pollution Control Board vide its order no. 615/APPCB/HO/ECS/VZN/2023 dated January 09, 2024 levied a environmental compensation fee of ₹14,30,550/- under the wastes (Management and Transboundary Movement) Rules, 2016. The Company made the payment as per the Directions.

**FORM NO. MR - 3**
SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

[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 of the compliance of applicable statutory provisions and the 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 HBL Power Systems Limited'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, 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. 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. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended)
- VI. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
- VII. 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 25, 2023, copy of which is annexed to this report as Annexure B, issued for the financial year ended March 31, 2023 pursuant to SEBI circular No. CIR/CFD/CMD1/27/2019 dated Feb 08, 2019 read with Circular No. NSE/CML/ 2023/21 dated March 16, 2023 and Circular No. NSE/CML/ 2023/30 dated April 10, 2023 issued by National Stock Exchange of India Limited 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 1 (one) Executive Director, 8 (Eight) Non-Executive Directors out of which 5 (five) are Independent Directors including 2 (Two) Women Independent Directors.

During the reporting period Ms. Deeksha Mikkilineni has been appointed as Non-Executive Non-Independent Director and Mr. Narsing Rao Singayapally has been appointed as an Independent Director on August 11, 2023 and February 07, 2024 respectively. The appointment of Mr. Narsing Rao Singayapally is due for ratification at the next Annual General Meeting to be held in the year 2024.

I further report that, the Company Secretary of the Company retired from services on March 31, 2023 and vacancy was filled on April 01, 2023, within the prescribed time. The other 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. I also report that all the meetings were conducted through video conferencing.

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 except the following:

1. With respect to FDI received by the erstwhile holding Company of HBL namely Beaver Engineering and Holdings Private Limited (Beaver Engineering), the Reserve Bank of India, directed erstwhile holding Company to file compounding application for delayed reporting of the receipt of the FDI as per FEMA regulations. Since the erstwhile Company was amalgamated into HBL in the year 2017, the compounding application was made by HBL on behalf of Beaver Engineering. HBL made necessary representation in support of timely submissions with Authorised Dealer, who failed to forward the same to RBI within the prescribed time. RBI while considering the compounding application, considered the facts and took a lenient view and levied a fee of ₹10,70,000/- vide its order dated August 02, 2023. The Company has accordingly paid the fee within the prescribed time.
2. With respect to unauthorized disposal of hazardous waste of 31.79 MT of HW by the contractor of the Company outside the premises, the Andhra Pradesh Pollution Control Board vide its order no. 615/APPCB/HO/ECS/VZN/2023 dated January 09, 2024 levied a environmental compensation fee of ₹14,30,550/- under the wastes (Management and Transboundary Movement) Rules, 2016. The Company made the payment as per the Directions.

Vinay Babu Gade

Practicing Company Secretary

ACS No: 20592 CP No: 20707

UDIN: A020592F000413182

Place : Hyderabad

Date : May 21, 2024

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.



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.

Place : Hyderabad
Date : May 21, 2024

Vinay Babu Gade
Practicing Company Secretary
ACS No: 20592 CP No: 20707
UDIN: A020592F000413182

**ANNUAL SECRETARIAL COMPLIANCE REPORT****HBL Power Systems Limited for the financial year ended March 31, 2024**

I, Vinay Babu Gade, Company Secretary in Practice have examined:

- a. all the documents and records made available to us and explanation provided by HBL Power Systems Limited (“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, 2024 (“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:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) other regulations as applicable

and circulars/ guidelines issued thereunder;

(Note: The aforesaid list of Regulations is only illustrative. The list of such SEBI Regulations, as may be relevant and applicable to the listed entity for the review period, shall be added.)

I hereby report that, during the Review Period the compliance status of the listed entity is appended as below:

Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS*
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	NIL
2.	Adoption and timely updation of the Policies: All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI	Yes	NIL
3.	Maintenance and disclosures on Website: The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website.	Yes	NIL
4.	Disqualification of Director: None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	NIL



Sr. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS*
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: Identification of material subsidiary companies Disclosure requirement of material as well as other subsidiaries	Yes	NIL
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	NIL
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	NIL
8.	Related Party Transactions: The listed entity has obtained prior approval of Audit Committee for all related party transactions; or The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes	NIL
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	NIL
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	NIL
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**).	Yes	NIL
12.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	Yes	NIL

The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No	1
Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Contraventions under paragraph 9(1)(A) and 9(1)(B) of Schedule 1 to Notification No. FEMA-20/2000-RB dated May 03, 2000
Regulation/ Circular No.	FEMA-FDI regulations
Deviations	Delayed reporting of receipt of FDI by the erstwhile holding Company namely Beaver Engineering and Holdings Private Limited
Action Taken by	The Reserve Bank of India
Type of Action	RBI Directed for compounding of the delayed reporting
Details of Violation	Delayed reporting of receipt of FDI by the erstwhile holding Company namely Beaver Engineering and Holdings Private Limited
Fine Amount	Compounding fee of ₹10,70,000/- was levied.
Observations/ Remarks of the Practicing Company Secretary	The Company has submitted the compounding application to RBI, Hyderabad and the RBI has passed compounding orders on August 02, 2023.
Management Response	The Company has made necessary compounding application and the same was compounded.
Remarks	NIL



Sr. No	2
Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Contravention of Wastes (Management and Transboundary Movement) Rules
Regulation/ Circular No.	Wastes (Management and Transboundary Movement) Rules
Deviations	Unauthorized disposal of hazardous waste
Action Taken by	Andhra Pradesh Pollution Control Board
Type of Action	APPCB vide its order no. 615/APPCB/HO/ECS/VZN/2023 dated January 09, 2024 levied a environmental compensation fee.
Details of Violation	Disposed off the hazardous waste of 31.79 MT of HW by the contractor of the Company outside the premises
Fine Amount	Environmental compensation fee of ₹14,30,550/-
Observations/ Remarks of the Practicing Company Secretary	The Company has paid the fee as directed by the Andhra Pradesh Pollution Control Board.
Management Response	The waste disposal was outsourced to contractor who violated the waste management rules.
Remarks	NIL

The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No	
Compliance Requirement (Regulations/ circulars/ guide- lines including specific clause)	
Regulation/ Circular No.	
Deviations	
Action Taken by	
Type of Action	NIL
Details of Violation	
Fine Amount	
Observations/ Remarks of the Practicing Company Secretary	
Management Response	
Remarks	

Date: May 21, 2024
Place: Hyderabad

Vinay Babu Gade
Practicing Company Secretary
M.No.A20592
CoP No. 20707
UDIN:A20592F000413116
PR No: 3047/2023



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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, 2024 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. Aluru Jagadish 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
Karipineni Venkata Sriram - Non-Executive - Independent Director	00073911	07/02/2018
Richa Datta - Non-Executive - Independent Director	08084501	15/03/2018
Kavita Prasad - Non-Executive–Non-Independent Director	00319292	10/08/2018
Advay Bhagirath Mikkilineni - Non-Executive–Non-Independent Director	09207003	21/06/2021
Deeksha Mikkilineni - Non-Executive–Non-Independent Director	10267611	11/08/2023
Narsing Rao Singayapally - Non-Executive - Independent Director	00800362	07/02/2024

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
 Practicing Company Secretary
 M.No.A20592
 CoP No. 20707
 PR No: 3047/2023
 UDIN: A020592F000959992

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2023-24

I. Company's philosophy on Corporate Governance:

Company's philosophy:

Our corporate governance configuration is based on balanced policies and procedures that are the pillars of governance philosophy. HBL's governance policies are framed to safeguard business stability and to sustain a high quality during our operations. Corporate governance philosophy ensures that businesses have necessary processes in place so that the interests of all stakeholders' viz. shareholders, employees, suppliers, customers and the community are secured. The Company's corporate governance philosophy has been further strengthened through the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Insider Trading Code").

The Company has adopted a Code of Conduct for its employees including Whole-time Directors and Senior Management. The Company has also adopted a Code of Conduct for Non-Executive Directors including Independent Directors which suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013 ('the Act'). The Company's governance guidelines cover aspects mainly relating to composition and role of the Board, Chairman and Directors, Board diversity and Committees of the Board.

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. Pursuant to Regulation 27(2) of the SEBI Listing Regulations, the Company also submits a quarterly compliance report on Corporate Governance to the Stock Exchanges where the securities of the Company are listed, including details on all material transactions with related parties, within 21 days from the closure of every quarter. The Chairman and Managing Director and the Chief Financial Officer have certified in accordance with Regulation 17(8) read together with Part B of Schedule II of the SEBI Listing Regulations to the Board on inter-alia, the accuracy of the financial statements and adequacy of internal controls for financial reporting for the Financial Year ended March 31, 2024.

II. Shareholders:

The Listing Regulations and Companies Act, 2013 prescribe the governance by shareholders participation in the corporate actions by passing ordinary and special resolutions. Your Company follows the applicable procedure to ensure

that the information with the shareholders is shared in time, whether financial or non-financial, with adequate explanation, wherever needed to obtain approvals, if any.

Generally, required approvals of the shareholders are taken at the Annual General Meeting. In addition, approval of shareholders can also be pursued through postal ballot in case of urgency of the matter as per the applicable regulations. During the reporting year there were no instances of passing of resolution through postal ballot.

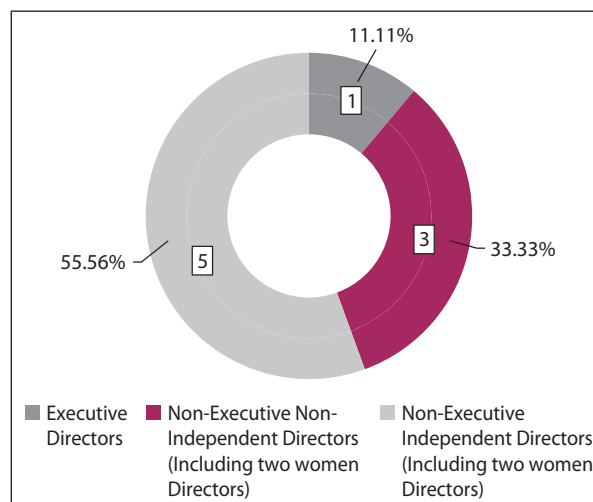
During the year ended March 31, 2024, your Company had complied with the provisions set out on Corporate Governance required under Listing Regulations. In this report, we have provided details on how the corporate governance principles are put into practice.

III. Board of Directors

For management and administration of the Company's overall functioning, the shareholders have constituted the Board of Directors. During the year under review, the composition of the Board was in conformity with the Companies Act and listing regulations.

➤ As on March 31, 2024, the Board of Directors of your Company comprises of:

Category	No of Directors
Executive Chairman and Managing Director	1 (One)
Executive Director	NIL
Non-Executive Directors*	8 (Eight)
Total [^]	9 (Nine)
* Includes Independent Directors with two women Independent Directors	5 (five)
[^] Includes women Directors	4 (four)



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, 2024 have been made by the directors. None of the directors is related to each other except Dr. Aluru Jagadish Prasad, Mrs. Kavita Prasad Aluru, Mr. Advay Bhagirath Mikkilineni and Mikkilineni Deeksha.

- 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 Companies Act, 2013 read 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.

- Five 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 May 25, 2023; June 28, 2023; August 11, 2023; November 04, 2023 and February 07, 2024. Necessary quorum was present for all the meetings.
- The agenda papers for the Board and Committee meetings are circulated electronically well before the date of meeting notified to the Board and Committee member, thereby eliminating circulation of printed agenda papers.
- 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, 2024 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 #	Attendance in the year	Attendance at last AGM	Directorships in other Public Companies @		Committee positions held in other Public Companies	
				Chairman	Member	Chairman	Member
Dr. Aluru Jagadish Prasad Chairman and Managing Director (DIN: 00057275)	PEC	5	Yes	-	-	-	-
Kavita Prasad Aluru (DIN:00319292)	NENID	5	No	-	-	-	-
Poruri Ganapathi Rao (DIN: 00089685)	NEID	5	Yes	-	-	-	-
Preeti Khandelwal (DIN: 00027999)	NEID	5	No	-	-	-	-
Karipineni Venkata Sriram (DIN: 00073911)	NEID	5	Yes	-	2	-	-
Richa Datta (DIN: 08084501)	NEID	5	No	-	-	-	-
Advay Bhagirath Mikkilineni (DIN: 09207003)	NENID	5	No	-	-	-	-
Deeksha Mikkilineni (DIN: 10267611)	NED	2	No	-	-	-	-
Narsing Rao Singayapally (DIN: 00800362)	NEID	1	No	-	-	-	-

Note:

Category: PEC: Promoter and Executive Chairman; ED: Executive Director; NEID: Non-Executive Independent Director; and NENID: Non-Executive-Non-Independent Director.

@ Directorship in other public Companies excluding this company.



- The Company offered the facility of video conferencing, as prescribed under Section 173(2) of the Act read together with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, thereby saving resources and cost to the Company as well as the valued time of the Directors.
- Directorship in other public Companies

Name of the Director	Category in this Company	Directorship in other public Companies and designation
Dr. Aluru Jagadish Prasad	Promoter and Executive Chairman	NIL
Kavita Prasad Aluru	Non-Executive-Non-Independent Director	NIL
Poruri Ganapathi Rao	Non-Executive Independent Director	NIL
Preeti Khandelwal	Non-Executive Independent Director	NIL
Karipineni Venkata Sriram	Non-Executive Independent Director	Andhra Electronics Limited – Managing Director Sri Bhavani Castings Limited – Whole Time Director
Richa Datta	Non-Executive Independent Director	NIL
Advay Bhagirath Mikkilineni	Non-Executive-Non-Independent Director	NIL
Deeksha Mikkilineni	Non-Executive-Non-Independent Director	NIL
Narsing Rao Singayapally	Non-Executive Independent Director	NIL

- 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.
- In the opinion of the Board, the independent directors fulfill the conditions specified SEBI Listing Regulations, 2015 as amended and are independent of the management.
- Status on compliance of applicable laws was reviewed periodically by the Board.
- None of the Independent Directors has resigned from the Board during the reporting period and therefore, disclosure under SEBI listing Regulation 34(3) read with Schedule V (C)(j) is not required.
- Details of equity shares of the Company held by the directors as on March 31, 2024 are given below. The Company has not issued any convertible securities.

Name	Category	No of equity shares	Percentage
Dr. Aluru Jagadish Prasad	Chairman and Managing Director	26,92,827	0.97
Kavita Prasad Aluru	Non-Executive-Non-Independent Director	97,88,386	3.53
Advay Bhagirath Mikkilineni	Non-Executive-Non-Independent Director	39,17,600	1.41
Deeksha Mikkilineni	Non-Executive-Non-Independent Director	20,87,187	0.75

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

- Board comprises of members who bring in the required skills, ability and proficiency to allow them to effectively contribute in deliberations at Board and Committee meetings. The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual directors, which are key to corporate governance and Board effectiveness:

Entrepreneurial leadership	Entrepreneurial leadership experience resulting in a practical understanding of organization, processes, strategic planning and risk management. Demonstrated strengths in developing engineering talents and driving the change for long-term growth.
Engineering expertise	Engineering expertise involves application of knowledge to identify and design the systems and processes to fill the technology gaps and reach the goals.
Financial proficiency	Education and experience as an auditor or financial officer / comptroller or holding a position involving performance of similar functions.
Industry experience	Experiences in similar industries, resulting in knowledge of how to anticipate market trends, motivates innovation and extends or create new business models.
Diversity	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders at large.



Key Board Skills, Expertise and Competencies

Name of the Director	Entrepreneurial leadership	Engineering expertise	Financial proficiency	Industry Experience	Diversity
Dr. Aluru Jagadish Prasad	√	√	√	√	√
Kavita Prasad Aluru	√	-	√	√	√
Poruri Ganapathi Rao	√	-	√	-	√
Preeti Khandelwal	√	-	√	-	√
Karipineni Venkata Sriram	√	√	√	√	√
Richa Datta	√	-	√	-	√
Advay Bhagirath Mikkilineni	√	-	-	-	√
Deeksha Mikkilineni	-	-	-	-	√
Narsing Rao Singayapally	√	√	√	√	√

Familiarization Programme: Pursuant to the provisions of Regulation 25(7) and Regulation 46 of the SEBI Listing Regulations, kindly refer to the Company's website <https://hbl.in/reports/Familiarization-Programmefor-IndependentDirectors.pdf> for familiarization programme for IDs on their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

Board Evaluation: Pursuant to Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, Board evaluation was conducted for the financial year 2023-24, involving the following:

- i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfillment of the independence criteria prescribed under the Act and SEBI Listing Regulations, including their independence from the Company's Management; and
- ii. Evaluation of the Board of Directors, its Committees including the role of the Board Chairman by Independent Directors.
A meeting of the Independent Directors was held on March, 29, 2024 in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations for review of performance of Non-Independent Directors, Chairman and the Board as a whole.

IV. Committees of the Board

The composition and the terms of reference of various Committees constituted by the Board, inter-alia including the details of meetings held during the year and attendance thereat are presented below. All Committee decisions are taken at the meetings of the Committee. The Company Secretary acts as the Secretary for all Committees meetings. During the year under review all recommendations made by the various Committees were accepted by the Board. There are six committees of the Board as on March 31, 2024:

Name of the Committee	Minimum Number of members required	Number of Independent Directors required	Quorum required	Percentage of independence of the Committees
Audit Committee (AC)				80%
Nomination and Remuneration Committee (NRC)				100%
Corporate Social Responsibility Committee (CSR)	Three	Majority	Majority of Independent Directors	80%
Risk Management Committee (RMC)				80%
Stakeholders Relationship Committee (SRC)				80%
Environment, Social and Governance Committee (ESG)				80%



Composition, major terms of reference and other details of the Committees of the Board

Audit Committee																																											
Composition and category	Name	Category																																									
Composition and category	Poruri Ganapathi Rao (Chairperson)	Non-Executive Independent Director																																									
	Preeti Khandelwal	Non-Executive Independent Director																																									
	Karipineni Venkata Sriram	Non-Executive Independent Director																																									
	Richa Datta	Non-Executive Independent Director																																									
	Kavita Prasad Aluru	Non-Executive Non-Independent Director																																									
Major terms of reference	<p>Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013.</p> <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. • Approval of related party transactions. 																																										
Meetings and related details	<p>Five meetings of the Audit Committee were held during the year and the gap between two meetings did not exceed one hundred and twenty days.</p> <ul style="list-style-type: none"> • 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 28, 2023 and was attended by Mr. Poruri Ganapathi Rao, Chairman of the Audit Committee. <p>Attendance of the members at the committee meetings</p> <table border="1"> <thead> <tr> <th rowspan="2">Name of the Committee member</th> <th colspan="5">Date of meetings</th> </tr> <tr> <th>25.05.2023</th> <th>28.06.2023</th> <th>11.08.2023</th> <th>04.11.2023</th> <th>07.02.2024</th> </tr> </thead> <tbody> <tr> <td>Poruri Ganapathi Rao</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> </tr> <tr> <td>Preeti Khandelwal</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> </tr> <tr> <td>Karipineni Venkata Sriram</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> </tr> <tr> <td>Richa Datta</td> <td>√</td> <td>-</td> <td>√</td> <td>√</td> <td>√</td> </tr> <tr> <td>Kavita Prasad Aluru</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> <td>√</td> </tr> </tbody> </table>		Name of the Committee member	Date of meetings					25.05.2023	28.06.2023	11.08.2023	04.11.2023	07.02.2024	Poruri Ganapathi Rao	√	√	√	√	√	Preeti Khandelwal	√	√	√	√	√	Karipineni Venkata Sriram	√	√	√	√	√	Richa Datta	√	-	√	√	√	Kavita Prasad Aluru	√	√	√	√	√
Name of the Committee member	Date of meetings																																										
	25.05.2023	28.06.2023	11.08.2023	04.11.2023	07.02.2024																																						
Poruri Ganapathi Rao	√	√	√	√	√																																						
Preeti Khandelwal	√	√	√	√	√																																						
Karipineni Venkata Sriram	√	√	√	√	√																																						
Richa Datta	√	-	√	√	√																																						
Kavita Prasad Aluru	√	√	√	√	√																																						

Audit Committee - other details

The Committee trusts the expertise and knowledge of the Management, the Internal Auditor and the Statutory Auditor, in carrying out its oversight responsibilities. The management is responsible for the preparation, presentation and integrity of the Company's financial statements, including consolidated statements, accounting and financial reporting principles. The management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with accounting standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal controls.

Nomination and Remuneration Committee		
Composition and category	Name	Category
Composition and category	Poruri Ganapathi Rao (Chairperson)	Non-Executive Independent Director
	Preeti Khandelwal	Non-Executive Independent Director
	Karipineni Venkata Sriram	Non-Executive Independent Director
	Richa Datta	Non-Executive Independent Director



Nomination and Remuneration Committee

Major terms of reference	<p>Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.</p> <p>a) To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;</p> <p>b) Formulation of criteria for evaluation of Directors;</p> <p>c) Devising a policy on Board Diversity</p> <p>d) While formulating the remuneration policy, to ensure that -</p> <ul style="list-style-type: none"> - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and - Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. <p>e) Identifying the person who is qualified to become a Director or senior managers in accordance with criteria let down and recommend to the Board their appointment and removal. The Company shall disclose remuneration policy and evaluation criteria in its annual reports</p> <p>f) To have relevant experience of contributions to the deliberations of the Board and Corporate Governance</p>																							
Meetings and related details	<p>Three meetings were held during the financial year.</p> <p>a) In discharging its responsibilities, the Committee must have regard to the following policy objectives:</p> <ul style="list-style-type: none"> - to ensure that the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders; - to attract and retain skilled executives; - to structure short and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns; and - to ensure any termination benefits are justified and appropriate. - To consider professional indemnity and liability insurance for Directors and senior management. <p>b) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.</p> <p>c) Remuneration to Key Managerial Personnel & other employees</p> <p>Attendance of the members at the committee meetings</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: left;">Name of the committee member</th> <th colspan="3" style="text-align: center;">Date of meetings</th> </tr> <tr> <th style="text-align: center;">25.05.2023</th> <th style="text-align: center;">11.08.2023</th> <th style="text-align: center;">07.02.2024</th> </tr> </thead> <tbody> <tr> <td>Poruri Ganapthi Rao</td> <td style="text-align: center;">√</td> <td style="text-align: center;">√</td> <td style="text-align: center;">√</td> </tr> <tr> <td>Preeti Khandelwal</td> <td style="text-align: center;">√</td> <td style="text-align: center;">√</td> <td style="text-align: center;">√</td> </tr> <tr> <td>Karipineni Venkata Sriram</td> <td style="text-align: center;">√</td> <td style="text-align: center;">√</td> <td style="text-align: center;">√</td> </tr> <tr> <td>Richa Datta</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>	Name of the committee member	Date of meetings			25.05.2023	11.08.2023	07.02.2024	Poruri Ganapthi Rao	√	√	√	Preeti Khandelwal	√	√	√	Karipineni Venkata Sriram	√	√	√	Richa Datta	-	-	-
Name of the committee member	Date of meetings																							
	25.05.2023	11.08.2023	07.02.2024																					
Poruri Ganapthi Rao	√	√	√																					
Preeti Khandelwal	√	√	√																					
Karipineni Venkata Sriram	√	√	√																					
Richa Datta	-	-	-																					

The Company pays remuneration by way of salary, benefits, perquisites and allowances and commission to Chairman and Managing Director and its Executive Director on the recommendations of the NRC. Increments are recommended by the NRC within the salary scale approved by the Board and Members and ceilings prescribed under the Act.

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.

Details of remuneration and fees paid during the year:

a. Directors' remuneration for the year 2023-24

(₹ in lakhs)

Name of the Director	Designation	Remuneration	Commission	Total
Dr. Aluru Jagadish Prasad	Chairman and Managing Director	103.35	377.58	480.93
Kavita Prasad Aluru	Non-Executive Non-Independent Director	12.87	-	12.87
Total		116.22	377.58	493.80

Kavita Prasad Aluru, Director (who is a relative of the Chairman and Managing Director) has been paid ₹8.50 lakhs as rental charges for a premises owned by her, which was leased to the Company.

b. Independent Directors were paid sitting fees for the board meetings in 2023-24.

Name of Directors	Board meetings	Committee meeting (for all)	Sitting fees paid (₹)
Poruri Ganapathi Rao	5	19	2,45,000.00
Karipineni Venkata Sriram	5	19	2,45,000.00
Total			4,90,000.00

Preeti Khandelwal and Richa Datta, Non-Executive Independent Director, consented not to take sitting fee for the meetings of the Board and Committees. Accordingly, no sitting was paid.

c. Remuneration paid to Key Managerial personnel

Key Managerial Personnel	Remuneration for the financial year		% increase
	March 31, 2024	March 31, 2023	
MSS Srinath, President	56.60	56.60	-
GBS Naidu, Company Secretary	40.16	-	-
Sairam Edara, Chief Financial Officer	85.46	-	-

Stakeholders Relationship Committee

Composition and category	Name	Category
		Poruri Ganapathi Rao (Chairperson)
	Preeti Khandelwal	Non-Executive Independent Director
	Karipineni Venkata Sriram	Non-Executive Independent Director
	Richa Datta	Non-Executive Independent Director
	Kavita Prasad Aluru	Non-Executive Non-Independent Director
Major terms of reference	Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act. <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. 	
Meetings and related details	Five meetings of the Stakeholders' Relationship Committee were held during the year. <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. Attendance of the members at the committee meetings	
	Name of the Committee member	Date of meetings
		25.05.2023 28.06.2023 11.08.2023 04.11.2023 07.02.2024
	Poruri Ganapathi Rao	√ √ √ √ √
	Preeti Khandelwal	√ √ √ √ √
	Karipineni Venkata Sriram	√ √ √ √ √
	Richa Datta	√ - √ √ √
	Kavita Prasad Aluru	√ √ √ √ √



Complaints or queries relating to the shares and/or debentures can be forwarded to the Company's Registrar and Share Transfer Agents – Kfin Technologies Limited at einward.ris@kfintech.com. Kfin is the focal point of contact for investor services in order to address various matters mainly including issue of new or duplicate share certificates, repayment / revalidation of dividend warrants, change in bank details/ address and PAN corrections.

Stakeholder Relationship Committee – Other details

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

G B S Naidu, Company Secretary
HBL Power Systems Limited
8-2-601, Road 10, Banjara Hills, Hyderabad– 500034
Ph: 040-23355575 / Email: investor@hbl.in

b. Details of investor complaints / requests during the financial year :

Sl. No	Description	Opening balance as on April 01, 2023	Received					Resolved	Closing balance as on March 31, 2024
			Q1	Q2	Q3	Q4	Total		
1	Status of Applications for Public Issue	-	-	-	-	-	-	-	-
2	Non Receipt of Refund Order	-	-	-	-	-	-	-	-
3	Request for Annual Report	-	-	14	2	-	16	16	-
4	Non Receipt of Dividend Warrants	-	55	18	21	75	169	166	3
5	Non Receipt of Electronic Credits	-	-	-	-	-	-	-	-
6	Issue of duplicate shares	-	-	-	9	41	50	48	2
7	Others	-	9	15	7	-	31	31	-
	Total (i)	-	64	47	39	116	266	261	5
8	Complaints received from	-	-	-	-	-	-	-	-
a.	Securities and Exchange Board of India	-	1	3	-	-	4	4	-
b.	Stock Exchanges	-	-	-	-	-	-	-	-
c.	Ministry of Company Affairs	-	-	-	-	-	-	-	-
d.	Others	-	-	-	-	-	-	-	-
	Total(ii)	-	1	3	-	-	4	4	-
	Grand Total (i+ii)	-	65	50	39	116	270	265	5

Corporate Social Responsibility Committee

Composition and category	Name	Category
		Poruri Ganapathi Rao (Chairperson)
	Preeti Khandelwal	Non-Executive Independent Director
	Karipineni Venkata Sriram	Non-Executive Independent Director
	Richa Datta	Non-Executive Independent Director
	Kavita Prasad Aluru	Non-Executive Non-Independent Director
Major terms of reference	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 implementation of approved CSR activities. 	



Corporate Social Responsibility Committee

Meetings and related details	Two meetings of the CSR Committee were held during the year. The Committee recommended to the Board for approval of increase in CSR budget for the financial year. The Board accordingly approved the recommended enhancement in budget.		
	Attendance of the members at the committee meetings		
	Name of the committee member	Date of meetings	
		25.05.2023	04.11.2023
	Poruri Ganapathi Rao	√	√
	Preeti Khandelwal	√	√
Karipineni Venkata Sriram	√	√	
Richa Datta	√	√	
Kavita Prasad Aluru	√	√	

A detailed report on the CSR activities and spending by the Company during the reporting period is sited elsewhere in the annual report.

Risk Management Committee

Composition and category	Name	Category		
	Poruri Ganapathi Rao (Chairperson)	Non-Executive Independent Director		
	Preeti Khandelwal	Non-Executive Independent Director		
	Karipineni Venkata Sriram	Non-Executive Independent Director		
	Richa Datta	Non-Executive Independent Director		
Kavita Prasad Aluru	Non-Executive Non-Independent Director			
Major terms of reference	Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations.			
	- Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management including the risk management plan.			
	- Monitor the Company's risk appetite and strategy relating to key risks.			
	- Oversee Company's process for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels.			
	- Review and analyze risk exposure related to specific issues, concentrations and limit excesses, and provide oversight of risk across organization.			
	- Review compliance with risk policies, monitor breaches / trigger trips of risk tolerance limits and direct action.			
	- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.			
Meetings and related details	Three meetings of the Committee held during the year under review.			
	The Committee shall act and have powers in accordance with the terms of reference specified in writing, by the Board, which shall include the following:			
	- Seek any information or explanation from any employee or Director of the Company.			
	- Ask for any records or documents of the Company and have full access to Company information.			
	- Recommend engagement of independent consultants and advisors, including legal counsel or expert, as it deems appropriate. Secure attendance of outsiders with relevant expertise in Committee meetings, as the Committee considers necessary.			
	- Oversee the major risks of the subsidiaries.			
	- The committee shall coordinate with other committees to the extent that its work has a bearing on their scope of work.			
	Attendance of the members at the committee meetings			
	Name of the committee member	Date of meetings		
		25.05.2023	04.11.2023	22.12.2023
Poruri Ganapathi Rao	√	√	√	
Preeti Khandelwal	√	√	√	
Karipineni Venkata Sriram	√	√	√	
Richa Datta	-	-	-	
Kavita Prasad Aluru	√	√	√	



The Committee operates as per its Charter approved by the Board and within the guidelines laid down in it. The Company has a Risk Management Policy in accordance with the provisions of the Act and SEBI Listing Regulations. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk. The results of the risk assessment are thoroughly discussed with the Senior Management before being presented to the RMC. The Board takes responsibility for the overall process of risk management in the organization.

Particulars of senior management and changes during the year [ref: SEBI circular dated July 14, 2023]

There is no change in senior management during the reporting period.

V. General Meetings

(1) Shareholders meetings

(a) Annual General Meetings:

Financial Year	Date of meeting	Venue	Time
March, 2021	September 25, 2021	Meeting conducted through Video Conferencing (“VC”)/ Other Audio	4.00 pm
March, 2022	September 27, 2022	Video Means (“OAVM”) pursuant to the MCA and SEBI Circulars.	
March, 2023	September 28, 2023		

(b) Extraordinary General Meeting: No extraordinary general meeting was held during the financial year 2023-24.

(c) Special Resolutions: The following special resolutions were passed at the previous annual general meeting:

S No.	Agenda item	Ascent / descent
01	Authorization to enter into related party transaction	All special resolutions moved at the last years’ AGM, were passed by means of electronic voting, by the requisite majority of votes.
02	Alteration of Articles of Association	
03	Amendment to main objects clause of Memorandum of Association	

(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:

Particulars	Amount
Statutory audit	35.00
Certification fee	18.00
Total (excluding GST)	53.00

in lakhs

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 Andhra Jyothi 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 Andhra Jyothi 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.



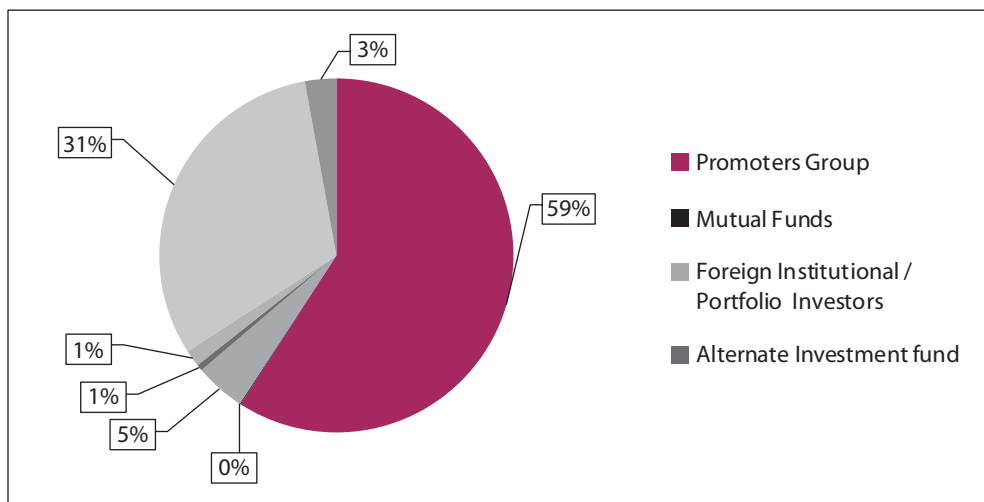
VII. General shareholder information

1. Forthcoming Annual General Meeting (Date and Time)	September 26, 2024 at 4.00 PM The Ministry of Corporate Affairs and SEBI vide its relevant circulars, has permitted the holding of the Annual General Meeting through video-conferencing / other audio visual means ('VC / OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. (For details please refer to the Notice 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 and reporting	2023-2024
First quarter ending 30.06.2023	August 11, 2023
Half-year ending 30.09.2023	November 04, 2023
Third quarter ending 31.12.2023	February 07, 2024
Forth and annual audited results	Standalone and Consolidated : May 27, 2024
Website where results displayed	https://hbl.in/Investors-Details.php
3. Dates of book-closure and record date	Book-closure: 14.09.2024 to 26.09.2024 (both days inclusive) Record date: 13.09.2024
4. Dividend recommended (subject to approval of shareholders at AGM)	Final Dividend: Recommended 50% on paid up equity share capital, subject to approval of members.
5. Address for correspondence	Registered 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 Secretarial office: Kubera Towers, Block A, Tirumalagiri, Hyderabad – 500 015, Telangana. Phone : +91 – 04 – 2779 1641.
6. Registrars for electronic transfer and physical transfer of shares	KFin Technologies Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032, Telangana Contact Person: B.Swati Reddy, Manager–Corporate Registry Phone nos. + 91-40-67161530 E-mail : einward.ris@kfintech.com
7. Manufacturing facilities	1. Aliabad, Shameerpet, RR Dist., Telangana 2. Nandigaon, Kothur, Mahabubnagar Dist., Telangana 3. Kandivalasa, Posapatirega, Vizianagaram, Andhra Pradesh 4. VSEZ, Visakhapatnam, Andhra Pradesh 5. Thumkunta, Shameerpet, RR Dist, Telangana 6. Narsaraopeta, Guntur Dist., Andhra Pradesh
8. Listing on Stock Exchanges	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
9. Scrip Code	BSE: 517271 and NSE: HBLPOWER
ISIN number	INE 292BO1021
Corporate Identity Number (CIN)	L40109TG1986PLC006745
10. Investors / Analyst Meets	The Company calls or organizes meetings with investors/analysts on request. Post the quarterly results meeting is organized which provides a platform for the management to answer questions and provide clarifications to investors /analysts. The Company continues to communicate with all types of funds and investors in order to have diversified shareholders. Financial Results, Statutory Notices and Presentations made to the investors / analysts after the declaration of the results are submitted to NSE and BSE as well as uploaded on the Company's website : https://hbl.in/reports/investor-presentation.pdf



11. Dividend payment date	Within 30 days from the date of AGM, if approved by the shareholders.
12. Electronic Communication	During FY 2023-24 various communications, including Annual Reports were sent by email to those shareholders whose email addresses were registered with the Company/ Depositories. In support of the 'Green Initiative' the Company encourages members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company.

VIII. Shareholding holding pattern as on March 31, 2024



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, 2023	March, 2024	March, 2023	March, 2024	March, 2023	March, 2024	March, 2023	March, 2024
1	1-5000	1,72,158	2,91,346	98.46	99.26	4,71,76,802	4,91,12,515	17.02	17.72
2	5001- 10000	1,427	1,088	0.82	0.37	1,07,03,862	80,59,179	3.86	2.91
3	10001- 20000	634	543	0.36	0.19	91,25,850	79,12,295	3.29	2.85
4	20001- 30000	255	184	0.14	0.06	63,40,616	46,16,581	2.29	1.67
5	30001- 40000	88	86	0.05	0.03	30,76,427	30,33,725	1.11	1.09
6	40001- 50000	79	58	0.04	0.02	36,96,564	26,80,893	1.33	0.97
7	50001- 100000	114	112	0.07	0.04	83,68,785	82,67,346	3.02	2.98
8	100001& Above	99	95	0.06	0.03	18,87,06,040	19,35,12,412	68.08	69.81
Total		1,74,854	2,93,512	100.00	100.00	27,71,94,946	27,71,94,946	100.00	100.00

X. Top ten shareholders as on March 31, 2024 (other than promoters / promoters group)

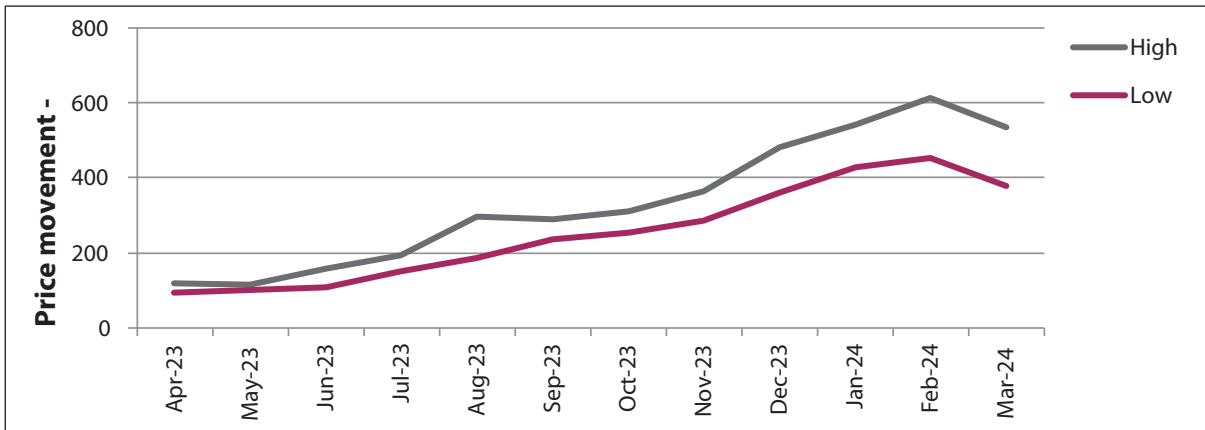
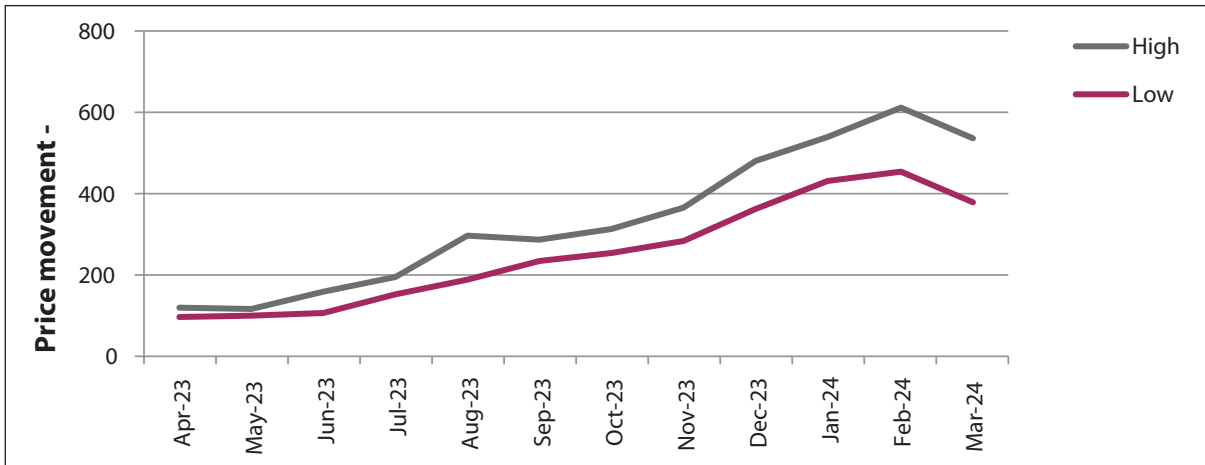
SI No	Name of the shareholder - PAN based Shareholding	No. of Shares	% holding
1	Anant Jain	19,85,472	0.72
2	Vanguard Total International Stock Index Fund	16,25,240	0.59
3.	Vanguard Emerging Markets Stock Index Fund	15,41,814	0.56
4.	Zaki Abbas Nasser	12,25,000	0.44
5.	Government Pension Fund Global	11,15,039	0.40
6.	Ishares Core MSCI Emerging Markets	9,85,961	0.36
7.	Investor Education And Protection Fund	9,72,210	0.35
8.	Vanguard Fiduciary Trust Company Institutional	7,93,541	0.29
9.	Ask Emerging Opportunities Fund	7,68,251	0.28
10.	Hitesh Narsinhbhai Patel	7,65,000	0.28

XI. Stock market data during 2023-24

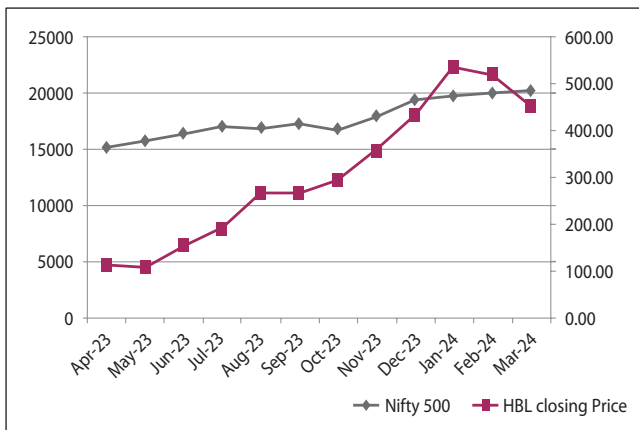
a. Monthly high and low stock price and number of equity shares traded during financial year 2023-24 on NSE and BSE:

Month	National Stock Exchange			BSE Limited		
	Price		No. of shares traded	Price		No. of shares traded
	High	Low		High	Low	
Apr-2023	117.95	96.00	4,70,81,485	117.95	95.26	36,17,024
May-2023	114.70	99.80	5,41,83,723	114.75	99.80	41,54,533
Jun-2023	158.95	107.00	18,25,00,920	159.00	106.85	1,68,96,979
Jul-2023	193.60	151.05	8,47,64,804	193.65	151.00	67,61,103
Aug-2023	294.90	186.20	12,34,94,024	294.90	186.25	87,70,319
Sep-2023	285.50	233.90	3,41,96,518	289.30	234.30	32,24,297
Oct-2023	310.95	254.40	4,17,26,876	310.25	255.15	41,58,937
Nov-2023	365.20	284.00	3,32,34,212	365.00	284.20	56,75,952
Dec-2023	479.50	362.50	4,70,19,058	479.50	361.05	89,94,537
Jan-2024	540.00	428.90	3,59,62,620	540.00	429.00	56,80,581
Feb-2024	612.00	453.45	3,55,52,926	612.00	452.90	49,75,668
Mar-2024	535.00	378.20	3,21,67,712	534.95	378.95	32,73,226

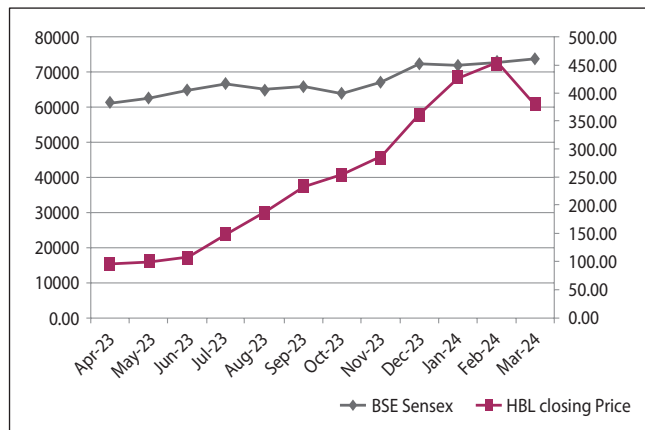
b. Share price movement during the financial year



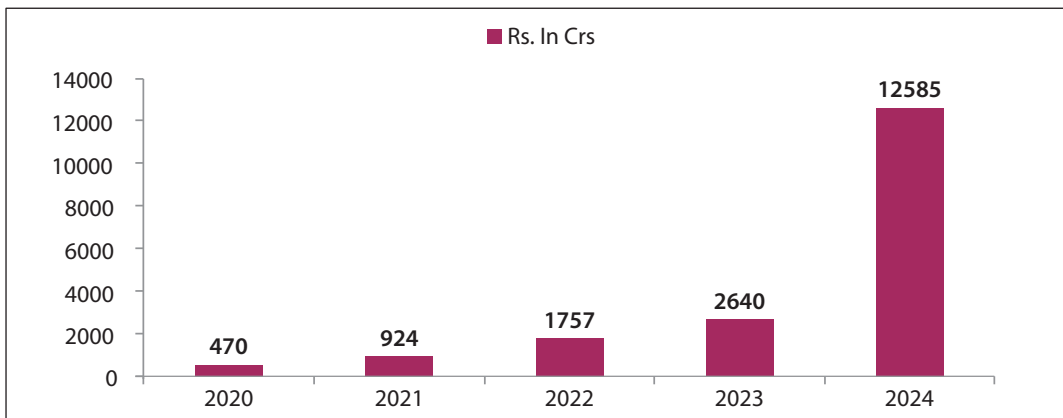
HBL Share price versus NIFTY 500



HBL share price versus BSE Sensex



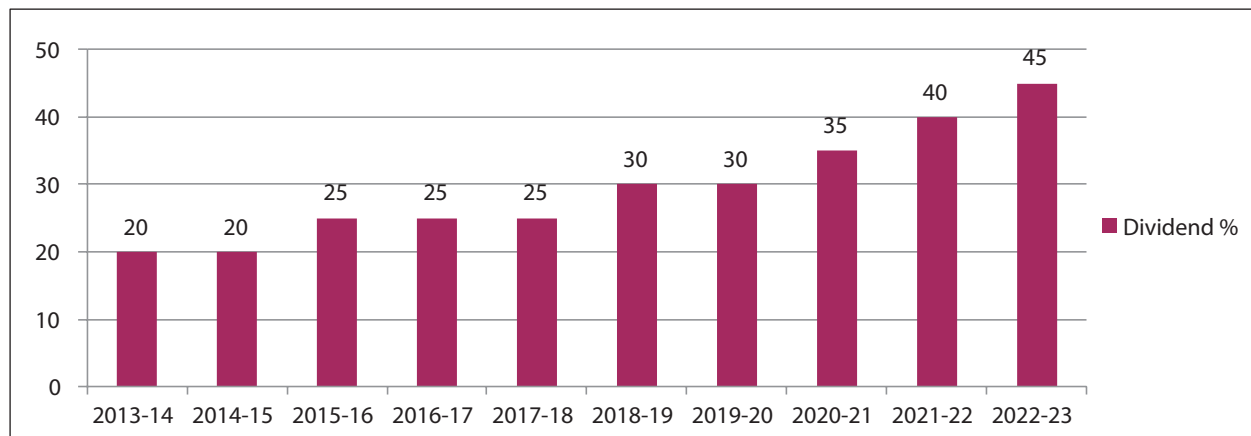
c. Market capitalization:



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 to the registered email ID of the members. Where the dividend cannot be paid through electronic mode, the same will be paid by warrants and sent to the registered address of the member. 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.

Dividend payment history





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 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, 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 strongly recommends shareholders to encash / claim their respective dividend within the period given below from the Company's Registrar and Share Transfer Agents:

AGM / Board in which declared	Financial year	Date of declaration	Rate of dividend	Total dividend declared ₹	Unclaimed dividend as on 31.03.2024 ₹	Due for transfer to IEPF
31 st	2016-17	26.09.2017	25%	6,93,01,502	6,45,352.00	02.11.2024
32 nd	2017-18	27.09.2018	25%	6,92,98,737	5,72,455.00	03.11.2025
33 rd	2018-19	26.09.2019	30%	8,31,58,484	7,70,475.20	02.11.2026
Interim	2019-20	18.02.2020	20%	5,54,38,989	8,62,240.20	26.03.2027
34 th Final	2019-20	24.09.2020	10%	2,77,19,946	2,53,547.40	30.10.2027
35 th	2020-21	25.09.2021	35%	9,70,18,231.10	11,92,572.45	31.10.2028
36 th	2021-22	27.09.2022	40%	11,08,77,978.40	8,45,404.80	31.10.2029
37 th	2022-23	28.09.2023	45%	12,47,37,725.70	9,15,319.35	01.11.2030

Whilst the Company's Registrar has already written to the Members informing them about the due dates for transfer to IEPF for unclaimed dividends/interest payments, attention of the stakeholders is again drawn to this matter through the Annual Report. Investors who have not yet cashed their unclaimed/unpaid amounts are requested to correspond with the Company's Registrar and Transfer Agents, at the earliest.

XIV. Share transfer system

All transfer, transmission or transposition of securities, are conducted in accordance with the provisions of Regulation 40, Regulation 61 and Schedule VII of the SEBI Listing Regulations, read together with relevant SEBI Circulars. In terms of the SEBI Listing Regulations, securities of the Company can only be transferred in dematerialized form. Further, SEBI vide its Circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/2022/8 dated January 24, 2022, mandated all the listed companies to issue securities in dematerialised form only, while processes the service request for issue of duplicate securities certificates, renewal/ exchange of securities certificate, claim from Unclaimed Suspense Account, endorsement, sub-division/ splitting of securities certificate, consolidation of folios, transmission and transposition.

In view to the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, members are advised to dematerialize the shares held by them in physical form. Members can contact the Company's Registrar and Transfer Agent (RTA), for assistance in this regards. Also, share transactions in electronic form can be effected in a much simpler and faster manner.

XV. Nomination

Individual shareholders holding shares in physical form either singly or jointly can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the Depository Participants as per the by-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.



XVI. Dematerialization of shares and liquidity:

Depository	No of Share Holders		No of shares		% of Total Issued Capital	
	March, 2023	March, 2024	March, 2023	March, 2024	March, 2023	March, 2024
CDSL	1,27,399	2,23,277	5,08,66,719	4,67,33,344	18.35	16.86
NSDL	45,461	68,378	22,39,44,763	22,82,56,738	80.79	82.35
Physical	1,994	1,857	23,83,464	22,04,864	0.86	0.80
Total	1,74,854	2,93,512	27,71,94,946	27,71,94,946	100.00	100.00

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 99.21% of the Company's equity share capital are dematerialized as on March 31, 2024. 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.

XVII. Website

Appropriate information on the Company's website, regarding key policies, codes and charters, adopted by the Company:

Name of Policy, Code or Charter	Brief Description	Web Link
Board Committees	The composition of various committees of the Board	https://hbl.in/reports/CompositionofCommittees.pdf
Code of Conduct	Represents the values and core principles that guide the conduct of every HBL business. The Code lays down the ethical standards that HBL colleagues need to observe in their professional lives.	https://hbl.in/reports/code_of_conduct_directors.pdf
Whistleblower Policy (Vigil Mechanism)	The Whistleblower policy has been formulated for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct.	https://hbl.in/reports/HBL-Policies.pdf
Policy on Related Party Transactions	The Company has in place a Policy on Related Party Transactions setting out: (a) the materiality thresholds for related parties; and (b) the manner of dealing with transactions between the Company and related parties, including omnibus approvals by Audit Committee based on the provisions of the Act and Regulation 23 of the SEBI Listing Regulations.	https://hbl.in/reports/HBL-Policies.pdf
Policy for determining Material Subsidiaries	This policy is determine material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide governance framework for them.	https://hbl.in/reports/HBL-Policies.pdf
Familiarization Programme	For IDs through various programmes/ presentations	https://hbl.in/reports/Familiarization-Programmefor-IndependentDirectors.pdf
Corporate Social Responsibility Policy	The policy outlines the Company's strategy to bring about a positive impact on society through programmes focusing on Health, Education, Employability and Environment interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting urban India.	https://hbl.in/reports/HBL-Policies.pdf
Policy on determination of Materiality for Disclosure of Event / Information	This policy pursuant to the Regulation 30 of the SEBI Listing Regulations applies to disclosures of material events affecting the Company and its subsidiaries. This policy is in addition to the Company's corporate policy.	https://hbl.in/reports/HBL-Policies.pdf
Dividend Distribution Policy	This policy pursuant to the Regulation 43A of the SEBI Listing Regulations outlines the financial parameters and factors that are to be considered whilst declaring dividend	https://hbl.in/reports/HBL-Policies.pdf



Name of Policy, Code or Charter	Brief Description	Web Link
Policy on Prevention of Sexual Harassment at Workplace	This policy applies to all categories of employees of the Company, including permanent management and workmen, temporaries, trainees and employees on contract at their workplace or at client sites. The Company will not tolerate sexual harassment, if engaged in by clients or by suppliers or any other business associates.	https://hbl.in/reports/HBL-Policies.pdf
Code for Prohibition of Insider Trading	Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (hereinafter referred to as "PIT Regulations") requires inter alia every listed company and board of directors or heads of every intermediary shall ensure that the Chairman and Managing Director or the Whole Time Director to formulate a code of conduct with their approval to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with these regulations and enforce a code of internal procedures and conduct based on the Model Code in accordance with the Regulations. Further, Regulation 7 of the PIT Regulations requires every promoter, member of the promoter group, key managerial personnel, directors and connected person of listed companies to disclose their shareholdings and changes to such shareholding to the respective companies.	https://hbl.in/reports/HBL-Policies.pdf
Policy for procedure of inquiry in case of leak of UPSI	Securities and Exchange Board of India ("SEBI"), vide its notification dated January 15, 2015, had issued SEBI (Prohibition of Insider Trading) Regulations, 2015 and further amended the same vide its notification dated July 17 2020, the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2020 ("collectively known as PIT Regulations"). As per Regulation 9A of the PIT Regulations, the Board of Directors ("Board") is required to formulate a written policy and procedure for inquiry in case of leak of Unpublished Price Sensitive Information ("UPSI") and initiate appropriate action on becoming aware of leak of UPSI and inform the Board promptly of such leaks, inquiries and results of such inquiries.	https://hbl.in/reports/HBL-Policies.pdf
Archival Policy for any Material Event / Information disclosed to the Stock Exchanges	This Policy is framed pursuant to Regulation 30 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations) as amended from time to time and in force for the time being. The purpose of this Policy is to archive any of the material events or information which was disclosed by the Company to the Stock Exchanges during the previous five years in terms of Regulation 30 of the Listing Regulations and placed on Company's website.	https://hbl.in/reports/HBL-Policies.pdf

XVII. Affirmations and Disclosures

a. Related Party Transactions

In line with the requirements under Regulation 23(1) of the Listing Regulations, the Company has formulated a Policy on Related Party Transactions ("Policy") which is also available on Company's website. The objective of the Policy is to ensure proper approval, disclosure, and reporting of transactions as applicable, between the Company or its subsidiary and any of its related parties.

The Audit Committee of the Company grants omnibus approval for the Related Party Transactions (RPTs) which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All transactions entered into by the Company



with the Related Parties as defined under the Act and Regulation 2(1)(zb) of the Listing Regulations during the financial year were on arm's length basis and were in compliance with the requirements of provisions of Section 188 of the Companies Act, 2013.

During the year under review, various transaction(s) were entered cannot be can be considered as material Related Party Transactions under Listing Regulations. Related party transactions are disclosed under significant accounting policies and notes forming part of the Financial Statements in accordance with Ind AS 24 'Related Party Disclosures'. A statement in summary form of transactions with Related Parties is periodically placed before the Audit Committee and the Board for review/ approval / noting on half yearly basis.

None of the transactions with Related Parties were in conflict with the interest of Company. All the transactions are carried out on an arm's length or fair value basis.

b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during last three Financial Years

The Company has complied with all requirements specified under the Listing Regulations as well as other regulations, circulars and guidelines issued by the SEBI. There were no strictures or penalties imposed by either SEBI or Stock Exchanges or MCA or any other regulatory/ statutory authority for non-compliance of any matter related to the capital markets during the last three financial years.

c. Vigil Mechanism / Whistle Blower Policy

Pursuant to Section 177(9) and (10) of the Act, and Regulation 22 of the Listing Regulations, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report concern about unethical behavior, actual or suspected fraud or violation of Company's code of conduct and ethics. The Whistle Blower Policy was revised by the Board at its meeting held on February 07, 2024. The mechanism provides for adequate safeguards against victimization of Directors and Employees or any other person who avail of the mechanism and also provide for direct access to the Executive Director and in the event of failure of or no redressal from the Executive Director, Chairperson of the Audit Committee in appropriate or exceptional cases.

d. A certificate from a Company Secretary in practice 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.

The certificate issued by CS Vinay Kumar Gade, Practicing Company Secretary is annexed herewith as a part of the Report.

e. Where the Board had not accepted any recommendation of any committee of the Board, which is mandatorily required, in the relevant Financial Year.

During the year under review, all recommendations made by the Committee(s) of the Board which were mandatorily required have been accepted by the Board.

f. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Necessary disclosure as on March 31, 2024 has been given in the Directors' Report.

g. Compliances with Governance Framework

The Company is in compliance with all mandatory requirements under the Listing Regulations.

h. Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

Details are given the Standalone and Consolidated Financial Statements.

i. Disclosure of Compliance with Corporate Governance Requirements specified in Regulation 17 to 27 and Regulation 46(2) of the Listing Regulations

The Company has complied with all the mandatory corporate governance requirements under the Listing Regulations. The Company confirms compliance with corporate governance requirements specified in Regulation 17 to 27 and sub-regulation (2) of Regulation 46 of the Listing Regulations.



j. Disclosure with respect to demat suspense account/ unclaimed suspense account

As per Regulation 34(3) read with Schedule V of the Listing Regulations, the details of the shares in the Suspense Account are as follows:

Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
1857 number of shareholders and 23,83,464 Equity Shares	NIL	NIL	1857 number of shareholders and 23,83,464 Equity Shares	23,83,464

k. Disclosure of certain type of agreements binding on the Company

There are no agreements impacting management or control of the Company or imposing any restriction or creating any liability upon the Company.

XVIII. 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.

XIX. 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.

XX. 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.

Place: Hyderabad

Date: August 08, 2024

For and on behalf of the Board

Dr Aluru Jagadish Prasad

Chairman & Managing Director



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, 2024.

Place: Hyderabad
Date: August 08, 2024

For and on behalf of the Board
Dr Aluru Jagadish Prasad
Chairman & Managing Director

CEO AND CFO CERTIFICATION

We, Dr. Aluru Jagadish Prasad, Chairman and Managing Director and Sairam Edara, Chief Financial Officer, 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 Aluru Jagadish Prasad
Chairman and Managing Director

Sairam Edara
Chief Financial Officer

Place: Hyderabad
Date: May 27, 2024



|||||

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

To
The Members of
M/s HBL Power Systems Limited
Hyderabad

I have examined all applicable records of HBL Power Systems Limited, Hyderabad 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, 2024. 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, 2024.

I 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.

Place: Hyderabad
Date: August 08, 2024

Vinay Babu Gade
Company Secretary in Practice
MS No. A20592; CP No.20707
UDIN: A020592F000959981
PR No: 3047/2023



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L40109TG1986PLC006745
2	Name of the Listed Entity	HBL Power Systems Limited
3	Year of incorporation	1986
4	Registered office address	No. 8-2-601, Road No.10, Banjara Hills, Hyderabad-500034, Telangana, India.
5	Corporate address	8-2-616, Road No.11, Banjara Hills, Hyderabad - 500034
6	E-mail	contact@hbl.in , investor@hbl.in
7	Telephone	Tel - 04023355575
8	Website	https://hbl.in/
9	Financial year for which reporting is being done	FY 2023-24
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE), BSE Limited (BSE)
11	Paid-up Capital	₹27,71,94,946
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BSR report	E. Sairam, Chief Financial Officer, Email – sairam.e@hbl.in , Telephone - 04066167777
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures made in this report are on a standalone basis for HBL Power Systems Limited.
14	Name of assurance provider	Not Available
15	Type of assurance obtained	Not Applicable

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing - Battery	Manufacturing of Batteries for Industrial & Defense applications	71.50%
2	Manufacturing - Electronic	Manufacturing of Communication equipment for Army artillery and other fuses.	24.42%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of Total Turnover Contributed
1	Lead Acid Batteries	27201	71.50%
	Nickel cadmium Batteries		
	Defense Batteries		
2	Chargers	28299	24.42%
	Railway Electronics		
	TMS/TCAS(KAVACH)		



III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	7	22	29
International		NIL	

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States and Union Territories))	36
International (No. of Countries)	50+

b. What is the contribution of exports as a percentage of the total turnover of the entity?

12.96%

c. A brief on types of customers

HBL Power Systems Ltd (HBL) offers comprehensive battery and engineering solutions to diverse clients, including prominent system integrators, EPC firms, as well as entities within the railway, aviation, and defense sectors worldwide. The Company's segments include Industrial batteries, Defense and Aviation batteries, and Electronics. Its electronics vertical is sub-divided into Railway electronics and electric mobility. Its flagship products in this vertical are the train collision avoidance system (TCAS), which addresses the issue of safety, and train management system (TMS).

The Company's extensive track record includes enduring partnerships with esteemed governmental bodies in India, such as the Indian Airforce, Indian Navy, and MOD labs. Notably, HBL has fostered a longstanding strategic alliance with Indian Railways, securing certification for the deployment of safety-critical systems. Committed to continuous evolution, we prioritize meeting the evolving and rigorous demands of our customers by delivering innovative solutions.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	1875	1764	94.08%	111	5.92%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D + E)	1875	1764	94.08%	111	5.92%
WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	4827	3789	78.49%	1038	21.50%
6.	Total workers (F + G)	4827	3789	78.49%	1038	21.50%

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	10	8	80%	2	20%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	10	8	80%	2	20%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	34	22	64.71%	12	35.29%
6.	Total differently abled workers (F + G)	34	22	64.71%	12	35.29%


21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	9	4	44.44%
Key Management Personnel	2	0	-

22. Turnover rate for permanent employees and workers
(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate)			FY 2022-23 (Turnover rate)			FY 2022-21 (Turnover rate)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.23%	25.23%	9.43%	14.99%	31.79%	10.73%	12.70%	33.33%	9.28%
Permanent Workers	Not Available								

V. Holding, Subsidiary and Associate Companies (including joint ventures)
23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary / associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	HBL America Inc, USA	A wholly owned Company.	100%	No
2	HBL Germany, GmbH	A wholly owned Company.	100%	No
3	Torquedrive Technologies Private Limited	A wholly owned Company.	100%	No
4	TTL Electric Fuel Private Limited	A subsidiary company	60%	No
5	Naval Systems and Technologies Private Limited	Associate Company and Kavita Prasad Aluru and Mr. MSS Srinath are Directors. HBL holds 41% shares in the Company.	41%	No
6	Tonbo Imaging India Private Limited	Associate Company	15.83%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
(ii) Turnover (in Lakhs.) – 220859.42
(iii) Net worth (in Lakhs) – 120534.33

VII. Transparency and Disclosures Compliances
25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints resolved during the year	Remarks	Number of complaints filed during the year	Number of complaints resolved during the year	Remarks
Communities	Yes (https://hbl.in/reports/HBL-Policies.pdf)	-	-	Nil	-	-	Nil
Investors (other than shareholders)	Yes (https://hbl.in/reports/HBL-Policies.pdf)	-	-	Nil	-	-	Nil
Shareholders	Yes (https://hbl.in/reports/HBL-Policies.pdf)	-	-	Nil	-	-	Nil



Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints resolved during the year	Remarks	Number of complaints filed during the year	Number of complaints resolved during the year	Remarks
Employees and workers	Yes (Internal policy)	-	-	Nil	0	1	Nil
Customers	Yes (https://hbl.in/reports/HBL-Policies.pdf)	10011*	10001	Nil	-	4	Nil
Value Chain Partners	Yes (Internal Policy)	-	-	Nil	-	2	Nil
Other (please specify)	-	-	-	-	-	-	-

*The majority of the complaints received from customers during the financial year are pertaining to customer warranty and going forward we will build a more rigorous methodology to clarify the list of complaints received from customers.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change	Risk	Risk: Climate change will arise physical risks for business operations.	HBL's strategy to effectively handle the risks and capitalize on opportunities linked to the direct exposure of its owned and controlled assets to the real and potential effects of climate change and reductions in GHG emissions.	Negative
2	Energy Management	Risk and Opportunity	Risk: Purchased electricity is a major share of the energy sources used in the industry and accounts for a notable proportion of the total cost of materials and value added. This also contributes to indirect GHG emissions. Opportunity: The profitability and operational efficiency of a business will be greatly enhanced by energy efficiency measures contributes to sustainable climate change.	1. energy conservation in factories by the installation of energy-efficient technology, machines and equipment. 2. Renewable energy generation through Biomass. 3. The organization is focused on energy management and environmental responsibility through ISO 14001:2015 periodical audits, and it plans to become certified to ISO 50001:2018 in future to strengthen control over energy conservation.	Positive/Negative



S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Waste Management	Risk and Opportunity	<p>Risk:</p> <ol style="list-style-type: none"> 1. Reduced battery materials recovery rates will increase the effects of fuel cells and batteries on the environment. 2. Batteries and fuel cells contains potentially dangerous materials that should be disposed of appropriately since they could endanger human health and the environment. <p>Opportunity: Recycling and reusing waste to create products with added value increases revenue and lowers waste disposal expenses and increases the circular economy</p>	<ol style="list-style-type: none"> 1. Innovation integrated in the manufacturing for effective design for disassembly, reuse, or recycling. 2. HBL is certified by CPCB for Extended Producer Responsibility (EPR). 3. HBL engaged authorized third-party recycler for effective disposal of hazardous waste. 	Positive/Negative
4	Water Management	Opportunity	<p>Opportunity:</p> <p>Reducing reliance on fresh water is achieved by the application of water conservation strategies, such as recycling and reusing treated wastewater in utilities and through reducing discharge through ZLD mechanism.</p>	-	Positive
5	Occupational health and safety	Risk	<ol style="list-style-type: none"> 1. Potential risks associated with physical hazards such as machinery accidents, electrical shocks and chemical hazards due to the handling of solvents, lubricants, and battery chemicals. 2. Non adherence to safety standards could result in legal consequences 	<ol style="list-style-type: none"> 1. Strict adherence to safety standards such as ISO 14001:2015 and ISO 45001:2018. 2. Comprehensive employee training on hazards, safe practices, emergency procedures, and PPE use. 3. Clear safety policies communicated to all staff and contractors. 4. Tested emergency response plans for fires, spills, and medical incidents. 5. Regular audits to ensure safety compliance and address improvements promptly. 	Negative



S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Protection of Human rights	Risk	<ol style="list-style-type: none">1. There is a potential for human rights impacts on various stakeholders such as employees, suppliers, and local communities2. human rights Breaches may result in legal and regulatory penalties, potentially causing disruptions to operations and negative financial consequences for the company.	<ol style="list-style-type: none">1. Planning to Conduct human rights due diligence across operations and supply chain.2. Enforcing a supplier code of conduct with human rights standards.3. Providing human rights training for employees.4. Establishing effective grievance mechanisms.5. Conducting regular monitoring and audits for human rights compliance.6. Engaging with local communities respectfully.7. Transparent reporting on human rights practices.	Positive/Negative
7	Diversity, Equality & Inclusion	Opportunity	Embracing diversity, inclusion, and equal opportunities enhances company performance by leveraging diverse knowledge, perspectives, and ideas. This fosters innovation, enhances talent attraction, improves retention and adheres to legal and ethical compliances in the workplace.	-	Positive
8	Community engagement	Opportunity	Investing in community development programs presents an opportunity to create shared value for both the company and the communities where it operates. By aligning CSR programs with community needs, the company can preemptively manage risks by addressing community concerns promptly. Additionally, this approach fosters a long-term, mutually beneficial relationship and enhances the company's social standing.	-	Positive



S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Supplier Relationship Management & Responsible Sourcing	Risk/ Opportunity	<p>Risk We utilize a diverse range of raw materials in our product manufacturing processes, each susceptible to different sustainability risks. The sustainable sourcing of these materials is essential to ensure uninterrupted supply and foster the long-term growth of our business</p> <p>Opportunity 1. Implementing responsible sourcing practices ensures ethical, social, and environmental standards throughout HBL's supply chain. 2. Enhances company reputation and brand image, fostering trust and loyalty among customers, investors, and stakeholders. 3. Leads to cost savings by reducing risks of non-compliance and supply chain disruptions.</p>	<ol style="list-style-type: none"> 1. Tracing raw material origins to ensure the sustainable sourcing 2. Ensuring supplier adherence to supplier code of conduct 3. Establish policies on sustainable sourcing practices and training suppliers accordingly 4. Fair and transparent practices 	Positive/Negative
10	Data privacy and cyber security	Risk	<p>Risk Risk of confidential data leakage</p>	<ol style="list-style-type: none"> 1. All privileged system access are reviewed periodically & data leakage prevention (DLP) system are implemented at these equipment 2. Restricted data access control & VPN access for work from home activities 	Negative
11	Product safety and quality	Risk	<p>Risk As an approved supplier for both the Indian Defense and Railways, our products need to adhere to stringent quality protocols</p>	<ol style="list-style-type: none"> 1. The Company is investing in critical and high-cost testing equipment to ensure we meet international testing standards, to meet the stringent quality standards of our clients. 2. The Company maintains great quality infrastructure and also utilizes third party partner agencies to test its products 	



S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Product Innovation	Opportunity	Opportunity Product innovation is crucial to the company as it drives growth and helps meet evolving customer needs	-	Positive
13	Compliance	Risk	Risk Being compliant with the laws of the land is vital for us, to ensure that we adhere to laws and regulations, avoiding from legal penalties and reputational damage	The Company has devised proper systems to ensure compliance with applicable laws and regulations	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	Policies are available on our intranet and: https://hbl.in/reports/HBL-Policies.pdf (P1, P2, P3, P4, P5, P6, P7, P8, P9)								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Y*	Y#	Y§	Y	Y	Y	Y	Y	Y
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is in the process of setting goals and commitments based on its material issues identified.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.									

Company has obtained certifications under national and international codes/ certifications/ labels/standards.

*. HBL Code of conduct

#. Quality systems –

- 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 61427:2013IATF 16949:2016.
- ISO 9001-2015, ISO14001-2015, ISO 45001-2018, and ISO 22163-2017 – IRIS- Rev 3 (Railway business) and AS 9100D (Aviation, Space and Defense Organizations).
- HBL's TCAS system is certified for SIL4 by ItalCertifer, a European safety assessment agency, empaneled by RDSO in India.
- HBLs TMS System is certified for SIL2 by Bureau Veritas Spain.

§. ISO 45001:2018 (Environment Management System Certification), CPCB certificate No. 452686543742529144.



Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

As we continue to navigate the complexities of our industry, it's become increasingly clear that sustainability isn't just an option; it's a necessity. In today's world, the health of our planet is intricately linked to the success of our business. We recognize that our operations have an impact on the environment, and we're dedicated to minimizing that impact wherever possible. From reducing our carbon footprint to conserving natural resources, we're constantly seeking new ways to operate more sustainably. But sustainability isn't just about protecting the environment; it's also about creating a better future for all. That's why we're committed to being good stewards of the communities where we operate, supporting local economies, and promoting social equity and inclusion. The Company has taken significant steps towards embedding sustainability into our corporate DNA. We've established an ESG (Environmental, Social, and Governance) Committee to guide us in setting up our ESG goals and continuously monitoring our progress. This committee serves as a dedicated body to ensure that sustainability remains at the forefront of our strategic planning and decision-making processes. As we work to reduce our carbon footprint, water conservation remains a crucial part of our sustainability efforts. We are also actively supporting green initiatives through community partnerships. I'm proud of the progress we've made so far, but I also recognize that there's still much work to be done. Together, we can create a world where people and the planet thrive, both now and for generations to come.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). E. Sairam, Chief Financial Officer,
Email – sairam.e@hbl.in,
Telephone - 04066167777

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. The CFO as stated above oversees the decision making on sustainability related issues.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)																	
		P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9	1	2	3	4	5	6	7	8	9
Performance against above policies and follow up action	The ESG Committee reviews the Company's policies every year. During this evaluation, the policy's effective implementation is assessed, and required policy and procedure adjustments are adopted.																		Annually
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company has been compliant with the statutory requirements and there have been no instances of non-compliances of NGRBCs.																		Annually

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

P	P	P	P	P	P	P	P	P	P
1	2	3	4	5	6	7	8	9	

 Yes. The Policies on Quality, Safety, Health and Environment are subject to internal and external audits as part of the ISO Systems certification process and ongoing periodic assessments. Other policies are periodically evaluated for their efficacy through Internal Audit mechanism.



12. If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

Not applicable as all principles are covered by respective policies.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

- Percentage coverage by training and awareness programmes on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	Regulatory compliance	100%
Key Managerial Personnel	1	Statutory compliance	100%
Employees other than BoD and KMPs	54	TCAS - 2 Modules, TMS-2 modules, EDT, Health Awareness, Tax Saving Awareness and Cyber Crime Awareness	3.4%
Workers	68	TCAS - 2 Modules, TMS-2 modules, Health Awareness and Cyber Crime Awareness	1.4%

- Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity’s website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been prepared (Yes/No)
Penalty/ Fine					
Settlement					
Compounding fee					
Not Applicable as there are no such instances reported.					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment					
Punishment					
Not Applicable as there are no such instances reported					



3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, HBL maintains a steadfast commitment to integrity, evidenced by our unwavering stance against corruption and bribery. The Company's Anti-Corruption and Anti-Bribery Policy mandates stringent measures against any individual found engaging in such unethical conduct. This policy extends to all employees across the Company, its subsidiaries, joint ventures, and associates regardless of their position or location. Upholding the highest standards of honesty is imperative for every employee in all aspects of their work. Furthermore, its facilities strictly adhere to a comprehensive framework of anti-bribery and anti-corruption laws and regulations. Prior to commencing business engagements, all agents, suppliers, contractors, and business partners are duly informed of our zero-tolerance policy towards bribery and corruption.

Our Policy is available on our website- <https://hbl.in/reports/HBL-Policies.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024	FY 2023
Directors		
KMPs		
Employees		Nil
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2024		FY 2023	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors		Nil		
Number of complaints received in relation to issues of Conflict of Interest of the KMPs		Nil		

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

None

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2024	FY 2023
Number of days accounts payables	38	41

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers and related parties along-with loans and advances & investments, with related parties in the following format:

Parameter	Metrics	FY 2024	FY 2023
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA



Parameter	Metrics	FY 2024	FY 2023
Concentration of Sales	a) Sales to dealers / distributors as % of total sales	4.12%	4.91%
	b) Number of dealers / distributors to whom sales are made	70	63
	c) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	59.34%	55%
Share of RPTs in	Purchases (Purchases with related parties / Total Purchases)	3.37%	0.25%
	Sales (Sales to related parties / Total Sales)	6.46%	3.09%
	Loans & advances (Loans & advances given to related parties / Total loans & advances)	1.32%	3.85%
	Investments (Investments in related parties / Total Investments made)	99.99%	99.99%

Leadership Indicators

- Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
		Not Available

- Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, The Board of Directors has adopted the Code of Conduct for the Directors and senior managers, as per the code, Directors and senior managers are expected to adhere to the standards of care, loyalty, good faith and the avoidance of conflicts of interest that follow. The Code states that the Board members and Senior Management of the Company are needed to abstain themselves from discussion, voting, or otherwise influencing a decision on any matter in which they have or may have a conflict of interest.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

S. No		FY 2024	FY 2023	Details of improvements in environmental and social impacts
1	R&D	2%	1%	<ol style="list-style-type: none"> Optimized the battery inter cell connector thickness for few applications and saved up to 10 tons of material in current FY. Silver recovery yield improved from 97% to 98% during recovery of silver from used and life expired batteries.
2	CAPEX	2%	1.2%	<ol style="list-style-type: none"> Introduced Rotary evaporator for recovery of IPA up to 70 %. Tubular mixer employed for homogenous mixing and reduced cycle time and increased batch volumes

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)
 - If yes, what percentage of inputs were sourced sustainably?
Around 30%

Yes, the company has developed a supplier sustainability process to guide vendor selection, incorporating a range of principles and guidelines. These encompass safety, health, environmental policies, legal compliance, and adherence to ISO certification standards etc., Furthermore, the company conducts sustainability assessments of its key suppliers, identifying areas for improvement to strengthen sustainability practices and principles.

- Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

At our manufacturing facilities, we place a paramount emphasis on the safe and responsible management of waste, encompassing both hazardous and non-hazardous materials.



Plastic waste - it is classified into two distinct categories: scrap generated during our processes and material received from customers as part of our buyback policy (such as used or expired batteries). This plastic waste undergoes reprocessing according to SOP, subsequently serving as raw material for the manufacturing of plastic containers.

Electronic waste (e-waste) - All generated waste is diligently handed over to certified vendors to ensure safe disposal.

Hazardous waste - It is meticulously categorized in accordance with regulatory guidelines and is dispatched to authorized recyclers approved by the Pollution Control Board (PCB).

Furthermore, HBL operates an internal recycling facility, sanctioned by the PCB, specifically dedicated to recycling Nickel Cadmium, Lead Acid, and Silver Zinc batteries.

Non-hazardous waste - It includes paper, food waste, packaging materials, and wooden waste, among others, these materials are responsibly disposed of through recycling channels or are repurposed for cattle feeding purposes.

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable from FY 23-24 and our waste collection plan is in line with the Extended Producer Responsibility regulation.

Leadership Indicators

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
Lead Acid Batteries	43.25%	Cradle to Gate	Yes	No
Nickel Cadmium Pocket Plate Battery	16.90%	Cradle to Gate (Rated capacity)	Yes	No

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Nickel Cadmium Pocket Plate Batteries	Cadmium hydroxide exposure leads to severe health issues.	Continual disposal of Cadmium Hydroxide in a safe manner through authorized agency

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2024	FY 2023
Lead (SMB)	5.44%	10.62%
Cadmium Hydroxide	25.2%	17.9%
Nickel Hydroxide	36.8%	23.5%
Silver	25%	25%
Recycled Lead	20%	-
Recycled Plastic	10%	-



4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2024			FY 2023		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	115.48	35.98	-	86.45	26.10
E-waste	-	-	-	-	-	-
Hazardous waste	-	1446.56	9.39	0.30	1826.07	6.92
Other waste	1304	27.44	190.80	1541	26.80	141

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastic	11%
Hazardous	3%
KoH (Electrolyte)	8%
Others	60%

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1764	1559	88.37%	1726	97.84%	-	-	NA	NA		
Female	111	101	90.99%	106	95.49%	110	100%	NA	NA	NA	
Total	1875	1660	88.53%	1832	97.70%	110	100%	NA	NA		
Other than Permanent employees											
Male											
Female											Not Applicable
Total											

- b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent workers											
Male											
Female											Not Applicable as we do not have Permanent workers
Total											
Other than Permanent workers											
Male											
Female											All are covered under Employee State Insurance Act (ESI), Further benefits depend on the policies of the contractor
Total											



- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	FY 2024	FY 2023
Cost incurred on wellbeing measures as a % of total revenue of the company	0.24%	0.34%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2024			FY 2023		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	-	Y	100%	-	Y
Gratuity	100%	-	NA	100%	-	NA
ESI	-	100%	Y	-	100%	Y
Others – please specify	-	-	NA	0-	-	NA

3. **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company has made significant efforts to ensure accessibility to differently abled employees across its locations. Offices/ premises are equipped with ramps, lifts, and handrails for stairwells to facilitate the movement of differently abled individuals. As a result, the Company's premises are now fully accessible to individuals with disabilities.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

HBL has an internal non-discrimination policy. The Company provides equal employment opportunities, without any discrimination on the grounds of age, colour, disability, marital status, nationality, race, religion, sex, sexual orientation. The Company will offer employment to people who are sound of body and mind subject to applicable regulations, qualifications and merit of the individual.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male				
Female	Not Available		Not Available	
Total				



6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes/No (If Yes, then give details of the mechanism in brief)	
Permanent Workers	<p>The Company has implemented a Grievance Policy to provide employees with a platform to address concerns arising from their employment. This policy ensures that grievances are promptly and fairly addressed by a Grievance Committee in accordance with the Organization's policies. It covers employee grievances related to the behavior, actions, or inaction of supervisors, fellow employees, or management.</p> <p>According to the grievance redress system outlined in the policy, the initial step in resolving any issue is open communication. Employees are encouraged to attempt informal resolution of their concerns with their immediate supervisors first. If informal dialogue fails to resolve the matter and the employee deems it to be at the grievance level, they may proceed to file a formal grievance as outlined in the policy to seek a fair resolution.</p> <p>The Procedure For Informal Grievance Redressal Policy is available at - https://hbl.in/reports/HBL-Policies.pdf</p>
Other than Permanent Employees	
Permanent Workers	
Other than Permanent Workers	

7. Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2024			FY 2023		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees						
- Male						
- Female						
Total Permanent Workers						
- Male						
- Female						

No such associations/unions are recognized.

8. Details of training given to employees and workers:

Category	FY 2024					FY 2023				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1764	901	51.07%	848	48.07%	1612	687	42.61%	692	42.92%
Female	111	63	56.75%	63	56.75%	97	52	53.60	57	58.76%
Total	1875	964	51.45%	911	48.58%	1709	739	43.24%	749	43.82%
Workers										
Male	3789	2877	75.93%	1375	47.79%	3756	1446	38.49%	1639	43.63%
Female	1038	696	67.05%	232	22.35%	854	241	28.22%	216	25.29%
Total	4827	3573	74.02%	1607	33.29%	4610	1687	36.59%	1855	40.23%



9. Details of performance and career development reviews of employees and worker:

Category	FY 2024			FY 2023		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1764	1452	82.31%	1612	1429	88.64%
Female	111	84	75.67%	97	73	75.25%
Total	1875	1536	81.92%	1709	1502	87.88%
Workers						
Male	3789	3615	95.40%	3756	2359	62.80%
Female	1038	885	85.26%	854	554	64.87%
Total	4827	4500	93.22%	4610	2913	63.18%

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the company have successfully implemented ISO 45001:2018 (Occupational Health and Safety Management System) across all our plants, encompassing employees and workers from all divisions. The company places paramount importance on safeguarding and enhancing the health and safety of its workforce. Workplace safety is integral to our sustainability strategy, forming the cornerstone of our commitment to employee well-being.

To ensure the safety of all personnel, HBL has established comprehensive and compliant protocols across its operations and support functions. This proactive approach has enhanced our ability to address regulatory compliance issues while simultaneously reducing the overall costs associated with incidents. By minimizing downtime and disruptions to operations, as well as reducing insurance premiums, we have effectively mitigated risks and optimized operational efficiency.

The company's adherence to international benchmarks, as recognized through ISO 45001 certification, underscores our commitment to excellence in occupational health and safety. This achievement not only enhances our reputation but also resonates positively with customers who prioritize social responsibility."

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Our facilities maintain clear Standard Operating Procedure's (SOP's) and operational controls for safety. Non-routine activities require permits, and risks are identified and mitigated accordingly. An emergency plan is tested regularly, and employees receive ongoing training. Frequent mock drills are conducted to test the preparedness of various emergency controllers for effective handling of emergencies.

The Company has deployed Hazard Identification, Risk Assessment, and Risk Control (HIRARC) Process to identify work-related hazards and evaluate risks on both routine and non-routine occasions.

HBL has formulated, and consistently implementing a HIRARC Methodology tailored to its scale, nature, and dimensions to address its requirements concerning detail, intricacy, timing, cost, and access to reliable data. The frequency of HIRARC assessments is determined based on the Risk Rating (RR) and Residual Risk. The HIRARC methodology utilized at HBL employs a Numerical Evaluation Method.

The Identified Hazards undergo assessment by considering all parameters outlined in Standard ISO 45001 Clause 6.1.2.1 & 6.1.2.2.

HIRARC is conducted biannually as per the plan and for all routine and non-routine activities as they occur. The outcomes of all Routine and Non-Routine HIRARC are documented in the prescribed format OHSF / FOR/ 31/01.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

A procedure is in place to inform workers of work-related hazards and prompt them to remove themselves from such risks through the implementation of risk mitigation action plans. Employees are required to report all incidents to their Immediate Supervisor. In the absence of the Supervisor, reports should be made to the Manager, Safety Officer, or Security. An Incident Report and Investigation Form must be completed and signed by the involved employee and their Manager.

In the event of witnessing an incident, immediate notification to Security is essential, either through the campus emergency line for emergencies or the non-emergency line for other incidents.



Corrective actions are promptly executed based on identified hazards/incidents, with their effectiveness being assessed through subsequent reviews.

A process is established for near-miss reporting, and all incidents are subject to review during Safety Committee meetings.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, HBL is dedicated to fostering an environment where employees' well-being extends beyond their salaries. To this end, all employees are provided with a comprehensive range of health and wellness benefits. These benefits include medical insurance and accident coverage for both the employee and their immediate family, ensuring financial support in cases of accidents or serious illnesses. Additionally, HBL extends coverage to dependent parents, offers periodic health check-ups, facilitates wellness programs, and provides access to nutritious and subsidized food options.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2024	FY 2023
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	14.07	18.62
Total recordable work-related injuries	Employees	2	1
	Workers	22	30
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

HBL holds its workforce in high regard, recognizing them as its most valuable asset, and places a paramount emphasis on their health and wellbeing. With a significant portion of our workforce stationed in manufacturing facilities, the Company has implemented comprehensive compliance measures across all touchpoints to uphold workplace safety and ensure a secure working environment. To this end, the following measures have been undertaken to guarantee a safe and healthy workspace:

Safety Policy and Measures: The Company has established a comprehensive safety policy encompassing various measures such as risk mitigation, competence assurance, and adherence to safety protocols when handling chemicals with respect to Material Safety Data Sheets (MSDS). Additionally, regular toolbox talks and strict compliance with Lock Out Tag Out (LOTO) procedures are emphasized.

A robust **Hazard Identification, Risk Assessment, and Risk Control (HIRARC)** communication system/policy is in place, along with insurance systems, provisions for first aid, and thorough employee training programs. Safety audits/inspection systems, effective contractor control and risk assessments further contribute to safety measures.

Compliance with Health and Safety Standards: The Company ensures compliance with all statutory preventive healthcare and occupational health and safety requirements. Proactive hazard identification and determination of controls are central to maintaining a safe working environment. Risks and opportunities relevant to the Occupational Health and Safety (OH&S) management system's intended outcomes are identified and addressed.

Employee Training and Safety Orientation: The Company places significant emphasis on providing comprehensive safety training during employee induction, covering various topics such as hazardous material handling, confined space entry, and emergency response procedures. Refresher training, mock drills, and on-site emergency training are conducted to prepare employees to handle contingent or urgent situations effectively. On-the-job training inclusive of safety topics further reinforces safety awareness among employees.

Formation of Safety Committee: A dedicated Safety Committee collaborates with management to achieve objectives outlined in the Health, Safety, and Environment (HSE) Policy. This committee addresses health, safety, and environmental concerns, offering practical solutions, promoting safety awareness among workers, and organizing educational, training, and promotional activities to cultivate a safety-oriented culture within the organization.



13. Number of Complaints on the following made by employees and workers:

	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions		Nil	NA		Nil	NA
Health & Safety		Nil	NA		Nil	NA

14. Assessment of the Year

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	100% of our plants are assessed by Statutory bodies, external customer audits, certification agencies and regulatory authorities
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Corrective actions have been implemented to address significant risks and concerns through Operational Control Procedures and Guidelines.

The following corrective actions have been taken based on non-conformities raised by the Assessment Body:

1. Identification of hazards and risk assessment for both routine and non-routine activities have been incorporated into the Internal Audit Checklist.
2. Training has been provided to the Thermal Business Division (TBD) on the identification of hazards and conducting risk assessments to ensure competency in this area.
3. Comprehensive training has been provided to all Nickel Cadmium Fiber Plate teams (NCFP) on emergency preparedness and response procedures and specific focus has been given on how to display emergency exit boards effectively to ensure readiness in case of emergencies.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company places significant emphasis on ensuring that statutory dues applicable are duly deducted and deposited by its value chain partners. These obligations are clearly outlined in the HBL Supplier Code of Conduct, which serves as a guiding framework for all partners within the supply chain. Adherence to this code is mandatory for all supply chain partners, as it underscores the Company's commitment to upholding business responsibility principles, as well as ideals of transparency and accountability.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024	FY 2023	FY 2024	FY 2023
Employees			Nil	
Workers			Nil	

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes, HBL, offers forward-thinking opportunities and fosters an environment conducive to personal growth and shaping the future. Employees who are terminated by the Company prior to their customary retirement date are entitled to termination benefits.



5. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
Health and safety practices	0%
Working Conditions	0%

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The identification of key stakeholders at HBL Power Systems is based on their substantial impact on the Company, as well as how their actions and outcomes materially affect them. Typical stakeholders for HBL Power Systems include customers, investors/ shareholders, Suppliers and business partners, Communities and non-governmental organizations, employees and workers.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half Yearly/ Quarterly / Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> Meetings, workshops, e-mails & reports, online portals, employee surveys, Idea management. One-on-one interactions Employee involvement in CSR activities. 	Periodically Half-Yearly Quarterly	<ul style="list-style-type: none"> Inform about important advances in the Company. Help the employees expand their knowledge. Getting employee feedback and resolving their issues.
Investors	No	<ul style="list-style-type: none"> Annual report, sustainability report, press releases Corporate website Quarterly & Annual results 	Annually Annually Periodically Quarterly	Investors prefer to invest in the organizations that are socially and environmentally responsible.
Customers	No	<ul style="list-style-type: none"> Interviews, personal visits, publications, mass media & digital communications, plant visits. Support programmes, social media, Conferences and events 	Periodically	<ul style="list-style-type: none"> Adherence to companies' policy on ethical business conduct. Safe Handling of Products. Safe Disposal of used products. Update on improved and efficient products Compliances with laws and regulations
Suppliers & service providers	No	<ul style="list-style-type: none"> Supplier & vendor meets Workshops & trainings Policies Supplier risk assessments 	Periodically	<ul style="list-style-type: none"> Supply of material & services. Adherence to companies' policy on ethical business conduct. Compliance on Conflict free mineral procurements. Safety requirements. Compliances with laws and regulations



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half Yearly/ Quarterly / Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Business Partners	No	<ul style="list-style-type: none"> Dialogue with Dealers (channel sales) and coordinating units of importers 	Periodically	Provide service to present customers while increasing the potential for future growth.
Government and Regulatory Bodies	No	<ul style="list-style-type: none"> Official communication channels Regulatory audits/ inspections Environmental compliance Policy intervention Good governance 	Monthly Annually Annually Periodically Annually	They help and guide in terms of connecting with Govt. Schemes in the same area for increased effectiveness.
Communities	Please refer to the following link for information about the Company's community work: https://hbl.in/Corporate-Social-Responsibility.html			

Leadership Indicators

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

HBL is currently in the process of establishing an Environmental, Social, and Governance (ESG) Committee at the Board level. This committee will be tasked with keeping the Board informed about various developments related to ESG and seeking inputs from Directors. Through continuous stakeholder engagement and in-depth assessments conducted by the ESG committee, the organization aims to align its business practices with ESG principles. This strategic approach will enable HBL to better serve its stakeholders and fulfill its commitments to environmental sustainability, social responsibility, and sound governance practices.

- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, HBL has consistently upheld a proactive and regular engagement with the Company's key stakeholders, facilitating effective collaboration on its Environmental, Social, and Governance (ESG) strategies while ensuring transparency in outcomes. In compliance with prevailing regulations and in response to stakeholder interactions, the Company conducts periodic evaluations to review and update policies as necessary, demonstrating its commitment to adaptability and responsiveness in addressing evolving sustainability needs and expectations.

- Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

Several initiatives have been taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders through our CSR initiatives. Please refer to the following link for information about the Company's community work:

<https://hbl.in/Corporate-Social-Responsibility.html>



PRINCIPLE 5 Businesses should respect and promote human rights.

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2024			FY 2023		
	Total (A)	No of employees/ workers covered (B)	% (B/A)	Total (A)	No of employees/ workers covered (B)	% (B/A)
Employees						
Permanent	1875	729	38.88%			
Other than permanent	-	-	-	1709	476	27.85%
Total employees	1875	729	38.88%			
Workers						
Permanent	-	-	-			
Other than permanent	4827	877	18.16%		Not Available	
Total Workers	4827	877	18.16%			

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2024					FY 2023				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	1764	-	-	1764	100%	1612	-	-	1612	100%
Female	111	-	-	111	100%	97	-	-	97	100%
Other than Permanent										
Male										
Female										Not Available
Workers										
Permanent										
Male										
Female										Not Available
Other than Permanent										
Male	3789	3789	100%	-	-	3756	3756	100%	-	-
Female	1038	1038	100%	-	-	854	854	100%	-	-

3. a. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	1	2008.98 (Lakhs)#	1*	12.86 (Lakhs)*
Board of Directors (BoD) Non-Executive	4	The non-executive board members receive only sitting fees for attending meetings of the board/ committee. Hence, computation of median remuneration is not relevant	3	The non-executive board members receive only sitting fees for attending meetings of the board/ committee. Hence, computation of median remuneration is not relevant
Key Managerial Personnel	2	59.52 (Lakhs)#	-	-
Employees other than BoD and KMP	1764	3.92(lakhs)#	111	3.45(lakhs)#
Workers	3547	1.92 (Lakhs)#	1033	1.86(lakhs)#

*Remuneration is computed upto August 2023

#Remuneration is annualized to compute the median value.



b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024	FY 2023
Gross wages paid to females as % of total wages	4.40%	4.90%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Employees are encouraged to address their complaints or grievances directly to the Human Resource department. In cases where issues are reported, an internal committee may be formed or delegated to conduct an investigation. This committee holds the responsibility of evaluating the reported issues, ensuring their timely addressal and rectification. Furthermore, in collaboration with Senior Management, the internal Committee recommends a suitable resolution for the reported concerns.

It is ensured that no retaliation or reprisal will be taken against any employee or associate who raises concerns in accordance with the grievance policy.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

HBL recognizes the significant role that businesses play in safeguarding human rights over the long term, and the Company is committed to upholding the human rights of its employees, communities, contractors, and suppliers.

The following are the mechanisms to redress grievances related to human rights issues:

Grievance Redressal Policy: The Company has a grievance Redressal policy to improve harmonious work culture and cohesiveness among its Group employees through mutual trust, by prompt redressal of grievances that fosters performance growth of an employee as well as organization.

Prevention of Sexual Harassment Policy (POSH): An Internal Complaints Committee (ICC) has been constituted by the Management to consider and redress complaints of Sexual Harassment.

Whistleblower Policy: HBL has an effective whistleblower mechanism enabling employees to communicate their concerns about illegal or unethical practices freely.

The mechanism for addressing grievances follows the outlined instructions:

- Employees and affiliates are encouraged to address their complaints or grievances directly to the Human Resource department.
- A dedicated internal committee is formed to investigate reported violations of human rights. This committee meticulously evaluates the reported violations and ensures their prompt resolution. Additionally, in consultation with HR Department, the committee recommends suitable remedies to address the grievances effectively.

The Company guarantees that no reprisal or retaliatory action will be taken against any employee or affiliate for raising concerns under the above policies.

6. Number of Complaints on the following made by employees and workers:

	FY 2024			FY 2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment						
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour	No complaints are registered under this FY			No complaints are registered under this FY		
Wages						
Other human rights related issues						



7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024	FY 2023
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	No Complaints registered for this FY 2024 and FY 2023	
Complaints on POSH as a % of female employees / workers		
Complaints on POSH upheld		

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

In handling complaints as part of the grievance redressal mechanism, every effort is made to conduct inquiries in a peaceful manner to avoid creating stressful conditions. An Internal Complaints Committee has been constituted by the Management to consider and redress grievances, which takes independent decisions and actions. The entire process is carried out with utmost confidentiality. The Company has established a grievance mechanism where all involved personnel are obligated to maintain strict confidentiality at all times. They are required to keep all paperwork and information exchanged during the process confidential.

Furthermore, the Company strictly prohibits any form of harsh or offensive behavior from anyone participating in or conducting grievance proceedings. Such behavior is considered misconduct under the Organization’s disciplinary policies, and stringent actions will be taken against individuals engaged in such unethical conduct.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, human rights requirements are integral components of the HBL Supplier Code of Conduct. Suppliers are encouraged to uphold internationally recognized human rights standards and strive to implement them in all their business activities within their sphere of influence. The use of forced or compulsory labor is strictly prohibited.

To be considered as part of the Company’s value chain, suppliers must adhere to the following human rights requirements:

Child Labor: Suppliers must refrain from employing children in violation of conventions 138 and 182 of the International Labor Organization and Indian labor laws.

Wages and Hours: Suppliers are expected to maintain a fair and competitive remuneration policy.

Equal Opportunities/Anti-Discrimination: Suppliers are required to avoid discrimination based on race, ethnic background, age, religion, gender, sexual orientation, or disability.

The Company’s Supplier Code of Conduct can be accessed via the following link:

<https://hbl.in/External-Provider-Code-of-Conduct-HBLR2.pdf>

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	
Forced/involuntary labour	
Sexual harassment	100%
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

All plants and offices of the Company have been assessed and found to have no negative impacts on the criteria outlined above. Consequently, no corrective actions were deemed necessary.



Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
Nil

2. Details of the scope and coverage of any Human rights due diligence conducted.

Human rights due diligence is currently incorporated into other audits being conducted. However, exclusive human rights due diligence has not yet been undertaken. Plans are in place to address this aspect in the coming years. This proactive approach demonstrates the Company's commitment to thoroughly assessing and addressing human rights considerations within its operations.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes

4. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed	
Sexual Harassment	Currently, HBL does not possess a formal assessment mechanism dedicated to monitoring the human rights compliance, policies, and practices of its value chain partners. Nevertheless, HBL's Code of Ethics & Conduct extends to all business partners, mandating their adherence to socio-environmental regulations within the respective operational geographies. While there isn't a specific monitoring mechanism in place, the Code of Ethics & Conduct serves as a guiding framework to ensure that partners align with the Company's commitment to upholding human rights and environmental standards.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (TJ) and energy intensity, in the following format:

Parameter	FY 2024	FY 2023
From renewable sources		
Total electricity consumption (A)	0.08	0.05
Total fuel consumption (B)	26.15	30.29
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	26.23	30.34
From non-renewable sources		
Total electricity consumption (D)	208.03	163.49
Total fuel consumption (E)	77.42	68.33
Energy consumption through other sources (F)	2.98	2.61
Total energy consumed from nonrenewable sources (D+E+F)	288.437	234.43
Total energy consumed (A+B+C+D+E+F)	314.66	264.77
Energy intensity per rupee of turnover (Total energy consumption (TJ)/Turnover in Lakhs)	0.001	0.001
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) * (Total energy consumed / Revenue from operations adjusted for PPP)	0.02	0.03
Energy intensity in terms of physical output	Common physical output is not feasible as the company has diversified product portfolio.	
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

*Purchase Power Parity (PPP) data source : <https://data.worldbank.org/indicator/PA.NUS.PPP?skipRedirection=true&view=map>



Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

However, in line with our commitment to enhanced energy management and environmental responsibility, we have set our sights on obtaining ISO 50001:2018 certification in the near future. This strategic initiative aims to bolster our control over energy-related aspects and lead initiatives to effectively reduce carbon emissions.

Additionally, as part of our dedication to continuous improvement, management has directed all manufacturing units to undergo comprehensive energy audits conducted by reputable third-party agencies. These audits will play a pivotal role in identifying areas of excellence and opportunities for optimizing energy performance of equipment and facilities across the organization.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024	FY 2023
Water withdrawal by source (in kiloliters)		
(i) Surface water	22000	20000
(ii) Groundwater	218227	185929
(iii) Third party water	16287	15187
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	256514	221116
Total volume of water consumption (in kiloliters)	247226	204458
Water intensity per rupee of turnover (Total water consumption in KL / Turnover in Lakhs)	1.11	1.51
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)	22.63	30.62
Water intensity in terms of physical output	Common physical output is not feasible as the company has diversified product portfolio	
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

*Purchase Power Parity (PPP) data source : <https://data.worldbank.org/indicator/PA.NUS.PPP?skipRedirection=true&view=map>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Provide the following details related to water discharged:

Parameter	FY 2024	FY 2023
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater		
- No treatment	0	0
- With treatment – please specify level of treatment	9288	16658
(iii) To Seawater		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0



Parameter	FY 2024	FY 2023
(iv) Sent to third-parties		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kiloliters)	9288	16658

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

HBL has undertaken substantial measures to enforce sustainable water management practices throughout its manufacturing plants. All plants adhere to zero liquid discharge (ZLD) regulations and are equipped with effluent treatment plant (ETP) and sewage treatment plant (STP) facilities. Wastewater generated during manufacturing processes undergoes thorough treatment and recycling, fostering water conservation efforts within the organization.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024	FY 2023
NOx	mg/nm3	38080	40593
SOx	mg/nm3	31157	34806
Particulate matter (PM)	mg/nm3	18144	19376
Persistent organic pollutants (POP)		NA	NA
Volatile organic compounds (VOC)		NA	NA
Hazardous air pollutants (HAP)		NA	NA
Others – please specify		NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2024	FY 2023
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	9893.83	9961.93
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	46808.32	36785.56
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions (MT) / Turnover in Lakhs)	Metric tonnes of CO2 Equivalent	0.21	0.27



Parameter	Unit	FY 2024	FY 2023
for Purchasing Power Parity (PPP)* (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		4.28	5.51
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Common physical output is not feasible as the company has diversified product portfolio		
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

*Purchase Power Parity (PPP) data source : <https://data.worldbank.org/indicator/PA.NUS.PPP?skipRedirection=true&view=map>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The company maintains a robust emphasis on leveraging renewable energy sources, such as solar power, and transitioning to biomass-based boilers. Furthermore, there's a concerted effort towards enhancing energy efficiency in manufacturing processes by embracing advanced technologies and optimizing equipment efficiencies. Additionally, the company actively supports research and development endeavors aimed at fostering the creation of new technologies and processes geared towards reducing greenhouse gas emissions.

Moreover, all manufacturing units surpass the defined norms for greenery coverage, which plays a pivotal role in sequestering greenhouse gas emissions, consequently diminishing the overall greenhouse gas burden in the atmosphere. This multi-faceted approach underscores the company's commitment to sustainability and environmental stewardship.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024	FY 2023
Total Waste generated (in metric tonnes)		
Plastic waste (A)	186	160.45
E-waste (B)	4.29	6.78
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	2704	3041
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	2077	2170.11
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	232	50.15
Total (A+B + C + D + E + F + G + H)	4203	5428.97
Waste intensity per rupee of turnover (Total waste generated (MT) / Turnover in Lakhs)	0.01	0.04
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total waste generated / Revenue from operations adjusted for PPP)	0.38	0.81
Waste intensity in terms of physical output	Common physical output is not feasible as the company has diversified product portfolio.	
Waste intensity (optional) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	343.38	323.15
(ii) Re-used	1507.20	1661.69
(iii) Other recovery operations	0	0
Total	1850.58	1984.84



Parameter	FY 2024	FY 2023
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	235.90	376.07
(iii) Other disposal operations	1483.03	1208.25
Total	1718.93	1584.32

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

*Purchase Power Parity (PPP) source : <https://data.worldbank.org/indicator/PA.NUS.PPP?skipRedirection=true&view=map>

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

HBL has implemented a systematic approach to waste management, which involves categorizing waste into hazardous and non-hazardous types and further classifying them into specific categories. The Company ensures proper disposal methods for each type of waste, adhering strictly to guidelines provided by Pollution Control Boards and regulatory bodies.

HBL implemented **Focused Improvement Projects (FIPs)** to reduce waste generation at its source, while also maintaining a centralized scrapyards at manufacturing locations to facilitate proper segregation and disposal of waste. A dedicated team oversees scrap management and conducts awareness training sessions for employees.

Moreover, HBL has developed comprehensive waste management SOPs to guide the process effectively. The Company prioritizes employee awareness through virtual and classroom training sessions, educating them on waste generation, disposal methods, and the impact on health, safety, and the environment. Additionally, the Company accounts for wastes sold to third parties.

These initiatives underscore HBL's unwavering commitment to responsible waste management and environmental sustainability. It's noteworthy that all manufacturing locations of the company are ISO certified, further attesting to its dedication to maintaining high standards in waste management practices.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Not Applicable			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Available				



Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kiloliters):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024	FY 2023
Water withdrawal by source (in kiloliters)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kiloliters)		
Total volume of water consumption (in kiloliters)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kiloliters)		

HBL manufacturing units are not categorized under water stress areas.

HBL manufacturing units are not categorized under water stress areas.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2024 (Current Financial Year)	FY 2023 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent		
Total Scope 3 emissions per rupee of turnover			Not Available
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity			



Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

- With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

- If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Improvement of Air quality	Alkaline/ acidic fumes scrubbed effectively improving the air quality	Air quality improved
2	Improvement of ground level water	Ground water level improved through usage of rainwater harvesting and reduced dependency on third party sources of water.	Ground water level increased

- Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

The Company acknowledges the critical importance of a Business Continuity Plan (BCP) to ensure seamless business operations, especially during challenging times such as pandemics. Each operating unit within the organization has formulated an emergency plan, outlining specific actions to be taken in the event of a major accident or disaster occurring within the factory premises. These plans address potential risks, including major accidents that could impact the facility based on its geographic location.

Regular mock drills and training sessions related to emergency preparedness are conducted to ensure preparedness for addressing any unforeseen circumstances that may disrupt business operations. In the event of an emergency, thorough investigation is conducted, and appropriate measures are promptly initiated to contain the incident and prevent its recurrence in the future, whenever feasible. This proactive approach underscores the Company's commitment to ensuring the safety of its employees and the continuity of its business operations even during challenging situations.

- Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

While the company has not conducted a formal evaluation of the environmental impacts in its value chain, there have been no instances that lead us to conclude that adverse impacts on the environment have occurred due to our value chain activities. This suggests that our current operations have not resulted in significant environmental harm.

- Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Currently, HBL does not possess a formal assessment mechanism dedicated to monitoring the environmental impact of value chain partners' activities. Nevertheless, HBL's Code of Ethics & Conduct extends to all business partners, mandating their adherence to socio-environmental regulations within the respective operational geographies. While there isn't a specific monitoring mechanism in place, the Code of Ethics & Conduct serves as a guiding framework to ensure that partners align with the Company's commitment to upholding environmental standards. This approach underscores our dedication to responsible environmental practices and sustainability across our value chain.



PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
Three
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	The Federation of Telangana Chamber of Commerce Industry [FTCCI]	State
2	Engineering Export Promotion Council [EEPC INDIA]	National
3	Indian Battery Manufacturers Association [IBMA]	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
There were no incidents of anti-competitive behavior involving the Company during the reporting period (2023-24)		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Nil					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
HBL has not conducted a Social Impact Assessment of its projects currently, as it is not mandatory under the CSR regulations. However, HBL intends to undertake this assessment as and when it becomes applicable. This proactive approach reflects our commitment to responsible corporate citizenship and ensuring that our projects positively contribute to the social well-being of communities.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has an internal Grievance Policy. The Community members can approach the CSR team of the unit, who shall document the grievance and collect the written complaint, which shall be addressed by the Plant Head in consultation with the Corporate Office.



4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024	FY 2023
Directly sourced from producers MSMEs/ small	39.94%	40.48%
Directly from within India	85.98%	9.69%*

* Sourced directly from within the district and neighboring districts

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers 85employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024	FY 2023
Rural	58.90%	58.20%
Semi-urban	-	-
Urban	10.80%	10.10%
Metropolitan	30.30%	31.70%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable, HBL has not conducted a Social Impact Assessment of its projects currently	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
		Not Applicable	

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) - No

(b) From which marginalized /vulnerable groups do you procure? - Not Applicable

(c) What percentage of total procurement (by value) does it constitute? - Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
				Not Applicable

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Eradication of Malnutrition and Hunger	2180 Anganwadi children	90%
2	Promotion of Children Education		90%



PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

- Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Customer response and satisfaction are paramount for HBL. The Company actively engages with its customers across various platforms to comprehend their expectations and feedback. Through direct interactions or by utilizing customer portals, HBL collects customer feedback on a monthly basis, compiling a comprehensive "Voice of Customer" report to identify areas of concern.

Based on the insights gathered from this report, HBL devises and implements corrective measures to address customer concerns effectively. Customer satisfaction trends are meticulously compiled, monitored, and reviewed by top management at defined intervals. These reviews serve as a basis for obtaining directives for continuous improvement, ensuring that HBL remains responsive to the evolving needs and preferences of its customers. This customer-centric approach underscores HBL's commitment to delivering exceptional service and fostering long-term customer relationships.

- Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

- Number of consumer complaints in respect of the following:

Aspects	FY 2024		Remarks	FY 2023		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy						
Advertising						
Cyber-security						
Delivery of essential services		Nil			Nil	
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

- Details of instances of product recalls on account of safety issues:

Aspects	Number	Reasons for recall
Voluntary recalls	Nil	Not Applicable
Forced recalls	Nil	Not Applicable

- Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

HBL has in place appropriate data security and cyber risk prevention measures. The same is currently undergoing review for its adequacy and reliability. An Information Security Policy is being designed that will provide support, management direction and document how Information Security is managed throughout HBL

- Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

- Provide the following information relating to data breaches:

- Number of instances of data breaches - Nil
- Percentage of data breaches involving personally identifiable information of customers - Nil
- Impact, if any, of the data breaches - Nil



Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
HBL's website has information about all of the products it offers. Please refer to weblink <http://cs.hbl.in/nologinmsourservices.asp> for more details.
2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.
HBL harnesses our extensive engineering expertise to deliver highly resilient and compliant products that meet the efficiency expectations of our customers.
To ensure the safe usage of HBL products, we provide comprehensive precautions along with the products, in compliance with necessary regulations. The battery labels provide necessary information about safe and responsible usage of batteries, Indications regarding the same are provided on carton boxes, and warranty cards/user manual. Furthermore, additional details on the safe handling of our products are available through the weblink - <http://cs.hbl.in/docs/batteries/lead/dosdonts.pdf> <http://cs.hbl.in/docs/batteries/lead/InC-Instrucs.pdf>.
3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.
HBL maintains regular communication with customers through diverse channels, including emails, weblinks, customer care numbers, and channel sales dealers. In the event of any risk of disruption or discontinuation of essential services related to the company's products, these channels are actively utilized to disseminate relevant information.
4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable)
If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)
No



FINANCIAL STATEMENTS



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, 2024, 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 material 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, 2024 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 standalone 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 Annual Report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.



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 standalone 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, 2024, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2024 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".
 - (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 43.2 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)
 - (a) The dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.



- (b) As stated in Note 43.3 to the standalone financial statements, the Board of Directors of the Company have proposed 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.
- (vi) Based on our examination, which included test checks, we observed that the company has used accounting software for maintaining its books of account which has a feature of recording an audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the process of binding the MAC address for the user's login is currently pending. Further, during the course of our audit, we did not come across any instances where the audit trail feature was tampered with.
- (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 L N R Associates
Chartered Accountants
FRN 05381S

Raghuram Vedula
Partner
M.No. 242883
UDIN: 24242883BKGWEZ2547

Place: Hyderabad
Date: May 27, 2024



Annexure - A

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment;
- (b) The Company has maintained proper records showing full particulars of Intangible assets;
- (c) 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.
- (d) 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. 5.2 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, 2024	Net block as at March 31, 2024
Freehold land	8	434.74	434.74
Non-factory buildings	3	488.98	455.24
Total	11	923.72	889.98

- (e) The Company had not revalued any of its Property, Plant and Equipment (including right of use of assets) or intangible assets.
- (f) 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) (a) 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.

- (b) The company was sanctioned working capital limits in excess of ₹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) The Company has made investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties, during the year, in respect of which:
 - (a) During the year the company had made investments in one associate to the tune of ₹8,667.42 lakhs, the balance as at the year ending being ₹8,667.42 lakhs; investments in one subsidiary to the tune of ₹166.31 lakhs, the balance as at the year ending being ₹166.31 lakhs; investments in one foreign company to the tune of ₹0.23 lakhs, the balance as at the year ending being ₹0.23 lakhs; and provided loan to one subsidiary to the tune of ₹20.00 lakhs, the outstanding balance as at the year ending being ₹220.00 lakhs.
 - (b) In our opinion, the investments made guarantees provided and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
 - (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
 - (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
 - (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
 - (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.



- (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 (GST), 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, 2024 |
|---------------------------|-------------------------------|--|
| Finance Act (Service Tax) | 194.90 | CESTAT |
| GST Act | 0.53 | Addl. Commissioner (Appeals) |
| GST Act | 38.45 | Commissioner (Appeals) |
| Central Excise Act | 2,472.78 | CESTAT |
| Customs Act | 488.70 | Appellate Tribunal, Chennai |
| Sales Tax | 41.91 | ADC, Hyderabad |
| | 65.03 | Appellate Tribunal, Hyderabad |
| | 339.99 | Commissioner |
| | 8.61 | Deputy Commissioner |
| | 16.22 | Jt. Commissioner |
| | 218.76 | 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 Company 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 realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The company does not have any unspent amount in respect of other than ongoing projects.
- (b) In our opinion and according to the information and explanations given to us, the company does not have any unspent amount in respect of ongoing projects that are required to be 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 L N R Associates

Chartered Accountants

FRN 053815

Raghuram Vedula

Partner

M.No. 242883

UDIN: 24242883BKGWEZ2547

Place: Hyderabad

Date: May 27, 2024



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, 2024 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, 2024, 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.

For L N R Associates
Chartered Accountants
FRN 053815

Raghuram Vedula
Partner
M.No. 242883
UDIN: 24242883BKGWEZ2547

Place: Hyderabad
Date: May 27, 2024



Standalone Balance Sheet

as at March 31, 2024

(₹ in Lakhs)

Particulars	Note	As at March 31, 2024		As at March 31, 2023	
ASSETS					
1 Non current assets					
(a) Property, Plant and Equipment	5	33,306.37		29,944.20	
(b) Capital works in progress	6	1,798.71		2,432.90	
(c) Right of use assets	9	422.39		549.23	
(d) Intangible assets	7	789.29		1,168.72	
(e) Intangible assets under development	8	-	36,316.76	2,488.94	36,583.99
(f) Financial assets					
(i) Investments	10	9,322.63		806.23	
(ii) Loans	12	220.00		201.53	
(iii) Other financial assets	13	6,987.54		4,224.11	
(g) Other non current assets	14	176.66	16,706.83	4.44	5,236.31
2 Current assets					
(a) Inventories	15	42,891.80		33,122.82	
(b) Financial assets					
(i) Investments	10	2.58		2.58	
(ii) Trade receivables	16	38,565.17		32,353.60	
(iii) Cash and cash equivalents	17	22,057.47		12,995.77	
(iv) Other bank balances	17	1,147.98		1,394.64	
(v) Others	17	1,590.27		1,046.56	
(c) Current tax assets (Net)	18	-		300.86	
(d) Other current assets	19	3,097.60	1,09,352.87	6,260.62	87,477.45
Total			1,62,376.46		1,29,297.75
EQUITY AND LIABILITIES					
1 Equity					
(a) Equity share capital	20	2,771.95		2,771.95	
(b) Other equity	21	1,17,762.38	1,20,534.33	92,800.03	95,571.98
Liabilities					
2 Non current liabilities					
(a) Financial liabilities					
(i) Borrowings	22	1,593.06		3,778.20	
(ii) Lease liability	22	264.91		363.38	
(b) Provisions	23.1	251.82		224.91	
(c) Deferred tax liabilities (Net)	24	789.49	2,899.28	1,026.66	5,393.15
3 Current liabilities					
(a) Financial liabilities					
(i) Borrowings	25	3,490.64		3,775.86	
(ii) Lease liability	26	226.24		229.95	
(iii) Trade payables:					
Total outstanding dues of MESE	27	1,492.61		1,713.12	
Total outstanding dues to creditors other than MESE	27	11,380.58		7,944.79	
(b) Other financial liabilities	28	6,415.97		6,167.20	
(c) Other current liabilities	29	8,403.87		4,598.02	
(d) Provisions	23.2	6,746.48		3,903.68	
(e) Current tax liabilities (Net)	30	786.46	38,942.85	-	28,332.62
Total			1,62,376.46		1,29,297.75

The accompanying notes 1 to 43 form an integral part of this standalone financial statements

As per our report of even date annexed

For LNR Associates

Chartered Accountants

FRN No. 053815

Raghuram Vedula

Partner

M.No : 242883

UDIN : 24242883BKGWEZ2547

Place : Hyderabad

Date : May 27, 2024

On behalf of the board

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

E Sairam

Chief Financial Officer

Kavita Prasad Aluru

Director

DIN : 00319292

GBS Naidu

Company Secretary

Place : Hyderabad

Date : May 27, 2024



Standalone Statement of Profit & Loss for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue			
I Revenue from operations	31	2,20,859.42	1,34,974.91
II Other income	32	1,665.41	1,784.11
III Total income (I + II)		2,22,524.83	1,36,759.02
IV Expenses			
Cost of material consumed	33	1,20,299.60	82,539.19
Purchases of stock in trade		18.25	107.71
Changes in inventories of finished goods, stock -in - trade and work - in - progress	34	(6,001.08)	15.82
Employee benefits expense	35	14,954.95	10,433.35
Finance costs	36	1,241.89	622.96
Depreciation and amortization expense	37	3,940.74	3,430.63
Works contract expenses	38	14,254.94	1,126.95
Manufacturing expenses	39	19,233.82	13,757.91
Administrative expenses	39	7,361.28	5,266.58
Selling expenses	39	8,886.17	6,957.91
Total expenses (IV)		1,84,190.56	1,24,259.00
V Profit before exceptional items and tax (III - IV)		38,334.27	12,500.02
VI Exceptional items - income/(expense)	40	(2,817.25)	133.26
VII Profit before tax (V - VI)		35,517.02	12,633.28
VIII Tax expense	41		
(1) Current tax		9,380.00	3,100.00
(2) Deferred tax (asset)/liability		(180.24)	(19.16)
(3) Income tax relating to previous years		(61.73)	(1.41)
		9,138.03	3,079.42
IX Profit for the period (VII - VIII)		26,378.99	9,553.85
X Other comprehensive income (Net)			
Items that will not be reclassified to profit or loss -			
Remeasurement of defined benefit plans		(226.18)	(98.28)
Income tax		56.92	24.74
		(169.26)	(73.55)
XI Total comprehensive income (IX - X)		26,209.73	9,480.31
XII Earnings per equity share	42		
(1) Basic (of ₹1/-each)		9.46	3.42
(2) Diluted (of ₹1/-each)		9.46	3.42

The accompanying notes 1 to 43 form an integral part of this standalone financial statements

As per our report of even date annexed

For LNR Associates

Chartered Accountants

FRN No. 053815

On behalf of the board

Raghuram Vedula

Partner

M.No : 242883

UDIN : 24242883BKGWEZ2547

Place : Hyderabad

Date : May 27, 2024

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

E Sairam

Chief Financial Officer

Kavita Prasad Aluru

Director

DIN : 00319292

GBS Naidu

Company Secretary

Place : Hyderabad

Date : May 27, 2024



Standalone Cash Flow Statement for the year ended March 31, 2024

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
A Cash flow from operating activities		
Net profit before tax and exceptional items	38,334.27	12,500.02
Exceptional items - income / (expenditure) *	(2,817.25)	133.26
Other comprehensive income (net)	(226.18)	(98.28)
Total comprehensive income before tax	35,290.84	12,535.00
Adjustments for:		
Depreciation	3,141.29	2,685.28
Amortisation	603.02	569.01
Right of use assts	196.43	176.34
Diminution in value of investments	300.00	0.51
Profit/loss on sale of assets	6.17	(457.20)
Advances & deposits written off	174.20	4.53
Interest income	(642.95)	(564.77)
Interest expense	793.01	403.26
Bad debts written off (Credit impairment)	-	52.32
Provision for doubtful debts (Lifetime expected credit loss)	955.43	127.63
Other provisions	2,869.71	1,337.22
	8,396.32	4,334.13
Operating profit before working capital changes	43,687.16	16,869.13
(Increase)/decrease in trade receivables	(7,167.00)	(1,767.71)
(Increase)/decrease in inventories	(9,768.98)	(2,969.27)
(Increase) / decrease in loans & advances **	(90.13)	(379.23)
Increase/(decrease) in trade payables	3,215.28	1,072.16
Increase/(decrease) in current liabilities	4,190.50	3,013.59
	(9,620.35)	(1,030.46)
Cash generated from operations	34,066.81	15,838.67
Income tax paid net of refunds	(8,292.67)	(3,639.90)
Income tax adjustment relating to previous years	61.73	1.41
Net cash flow from operating activities (A)	25,835.86	12,200.18
B Cash flow from investing activities		
Purchase of fixed assets	(4,414.74)	(6,060.83)
Sale proceeds of fixed assets	562.84	966.35
Purchase of Investments	(8,816.40)	(295.51)
Interest received	642.95	564.77
Net Cash flow from investing activities (B)	(12,025.34)	(4,825.22)



Standalone Cash Flow Statement (contd.) for the year ended March 31, 2024

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
C Cash flow from financing activities		
Long-term borrowings	1,544.26	(1,666.17)
Payment of lease liability	238.06	228.51
(Increase)/decrease in working capital borrowings	926.10	(915.46)
Dividend payment	1,247.38	1,108.78
Interest paid	793.01	403.26
Net cash flow used in financing activities (C)	4,748.81	(841.08)
D Net increase in cash and cash equivalents (A+B-C)	9,061.70	8,216.04
Cash and cash equivalents at beginning of the period	12,995.77	4,779.73
Cash and cash equivalents at end of the period	22,057.47	12,995.77
Cash and cash equivalents		
Cash on hand	10.29	4.46
Balances with banks in current account	22,047.18	12,991.31
Total	22,057.47	12,995.77

Notes to the cash flow statement for the year ended 31.03.2024

- 1 This statement is prepared as per Ind AS - 7 (indirect method).
- 2 * Details of the exceptional items are given in Note 40.
- 3 ** Including bank balances other than cash and cash equivalents
- 4 Previous year's figures were re-grouped wherever necessary.

As per our report of even date annexed
For **LNR Associates**
Chartered Accountants
FRN No. 053815

Raghuram Vedula
Partner
M.No : 242883
UDIN : 24242883BKGWEZ2547
Place : Hyderabad
Date : May 27, 2024

On behalf of the board

Dr A J Prasad
Chairman & Managing Director
DIN : 00057275

E Sairam
Chief Financial Officer

Kavita Prasad Aluru
Director
DIN : 00319292

GBS Naidu
Company Secretary

Place : Hyderabad
Date : May 27, 2024



Standalone of **Changes in Equity** for the year ended March 31, 2024

a) Share capital

(₹ in Lakhs)

	Current reporting period March 31, 2024	Previous reporting period March 31, 2023
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, 2023	1.02	23,010.66	2.70	55.77	32,272.35	37,457.53	92,800.03
Total comprehensive income						26,209.73	26,209.73
Dividend						(1,247.38)	(1,247.38)
Balance at the end of the current reporting period March 31, 2024	1.02	23,010.66	2.70	55.77	32,272.35	62,419.88	1,17,762.38
Balance at the beginning of the previous reporting period April 1, 2022	1.02	23,010.66	2.70	55.77	32,272.35	29,086.00	84,428.50
Total comprehensive income						9,480.31	9,480.31
Dividend						(1,108.78)	(1,108.78)
Balance at the end of the previous reporting period March 31, 2023	1.02	23,010.66	2.70	55.77	32,272.35	37,457.53	92,800.03

As per our annexed report of even date annexed
For **LNR Associates**
Chartered Accountants
FRN No. 053815

On behalf of the board

Raghuram Vedula
Partner
M.No : 242883
UDIN : 24242883BKGWEZ2547
Place : Hyderabad
Date : May 27, 2024

Dr A J Prasad
Chairman & Managing Director
DIN : 00057275

E Sairam
Chief Financial Officer

GBS Naidu
Company Secretary

Kavita Prasad Aluru
Director
DIN : 00319292

Place : Hyderabad
Date : May 27, 2024



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

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 BSE Limited and National Stock Exchange of India Limited in India. The financial statements were reviewed by the Audit Committee in its meeting held on 27th May 2024 and approved by the Company’s Board of Directors at the meeting held on 27th May 2024.

The principal activities of the Company comprise of manufacturing of different types of batteries including Lead Acid, Nicad, Silver Zinc, Lithium and Railway & Defence Electronics and other products. The Company is also engaged in service activities related to the above products.

2. Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (referred to as “Ind AS”) as prescribed under section 133 of Companies act 2013 read with companies (Indian accounting standards) rules as amended from time to time.

3.1 Basis of preparation

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

3.2 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.

3.3 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.

3.4 Use of judgments, estimates and assumptions

The preparation of standalone financial statements are in conformity with the recognition and measurement principles of Ind As requires management of the company make estimates and judgements that effect the reported balances of Assets and Liabilities, disclosures of contingent liabilities as at the date of standalone financial statements and reported amounts of income and expenses for the periods presented. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and future periods are effected.

The company uses the following critical accounting judgements, estimates and assumptions in the preparation of its standalone financial statements.

3.4 a 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) The company exercises judgement for identification of performance obligations, determination of transaction price, allocation of transaction price to each distinct performance obligation and determining whether the performance obligation is satisfied at a point in time or over a period of time. These judgements have been explained in detail under the note on revenue.(refer note no. 31)

3.4 b Useful life of Property Plant and Equipment

The company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods (refer note no.5)

3.4 c Employee benefits

The accounting of employee benefits in the nature of defined benefit requires the company to use assumptions. These assumptions have been explained under employee benefit note (refer note no. 35)

3.4 d Leases

The company evaluates if an arrangement qualifies be a lease as per requirements of Ind As 116. Identification of lease requires significant judgement. The company uses significant judgement in assessing the lease



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

for the year ended March 31, 2024

term (including anticipated renewals) and applicable discount rate. (refer note no. 9)

3.4 e Impairment of investments/Intangible Assets

The company reviews its carrying value of investments and Intangible Assets carried at cost (net of impairment, if any) annually or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount the impairment loss is accounted in the statement of profit and loss account.

3.4 f Provision for Income tax and deferred taxes

The company uses judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining provision for income tax. A deferred tax asset is recognised to the extent that it is probable that its future taxable profits will be available against which the deductible temporary differences and tax losses can be utilised accordingly the company exercises its judgement to re assess carrying amount of deferred tax asset at the end of each reporting period.

3.4 g Provision and contingencies

The company estimates the provisions that have present obligation as a result of past events and it is probable that out flow of resources will be required to

settle the obligations. These provisions are reviewed at the end of each reporting period and or adjusted to reflect the current best estimates.

The company uses significant judgements to assess contingent liabilities . Contingent liabilities are disclosed when there is possible obligation arising from past events, the existence of which will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an out flow of resources will be required to settle the obligation or reliable estimate of the amount cannot be made. Contingent assets are disclosed in the standalone financial statements but not recognised.

4 Recent accounting pronouncements :

On 31st March 2023, The Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules 2023, notifying the requirement of disclosure of material accounting policy information in the financial statements. The said change is effective and applicable for these financial statements. Presentation of Material Accounting policies information, disclosures required under the applicable standards and explanatory information are given under the respective Notes to Accounts.

Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Note : 5

Property, Plant and Equipment as on March 31, 2024

Accounting Policy :

Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment loss if any. 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 present value of expected costs for dismantling/restoration where ever applicable.

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. 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.

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. Depreciation methods, useful lives and residual values are reviewed at each reporting date and accounted for as change in accounting estimate.

Property plant and equipment with finite life are evaluated for recoverability when ever there is an indication that their carrying amounts may not be recoverable. If such indication exists, the recoverable amount (higher of fair value less cost to sell and value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss account.

(₹ in Lakhs)

Description	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As on April 1, 2023	Additions	Adjustments/ deletions	As on March 31, 2024	As on April 1, 2023	For the period	As on March 31, 2024	As on March 31, 2023
Land - freehold	3,420.26	105.11	18.13	3,507.24	-	-	-	3,507.24
Buildings - factory	15,941.35	1,141.46	29.07	17,053.74	6,898.31	500.26	7,380.20	9,673.54
Buildings - others	849.44	95.17	-	944.61	114.45	16.47	130.92	813.69
Plant and equipment	40,847.29	4,278.47	1,196.38	43,929.38	25,844.25	2,049.29	27,220.39	16,708.99
Furniture & fixtures	719.78	272.75	18.79	973.74	357.54	74.70	413.76	559.98
Vehicles	1,193.87	576.91	120.20	1,650.58	628.38	140.83	663.36	987.22
Office equipment	2,365.10	602.60	77.83	2,889.87	1,554.28	359.74	1,838.48	1,051.39
Office equipment under finance lease	86.48	-	-	86.48	82.16	-	82.16	4.32
Technical library	1.89	-	-	1.89	1.89	-	1.89	(0.00)
Total	65,425.46	7,072.47	1,460.40	71,037.53	35,481.26	3,141.29	891.39	29,944.20
Carrying value as at March 31, 2023	59,960.76	8,736.36	3,271.66	65,425.46	35,673.70	2,685.28	2,877.71	29,944.20





Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

5.1 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.

5.2 Disclosure in respect of title deeds of immovable properties:

1 Freehold land:

- The Gross block of freehold land comprises of actual acquisition cost of ₹3349.04 lakhs and land development charges capitalized of ₹158.20 lakhs.
- Out of the value of ₹3349.04 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 :

(₹ in Lakhs)

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)	2,914.30	-	-	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
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)	3,349.04			

2 Non - factory buildings:

- The gross block of non-factory buildings of ₹944.60 lakhs, comprise of actual cost of building constructed on factory lands of value of ₹772.04 lakhs, and cost of acquisition of buildings, (situated on other than factory lands) purchased from the third parties, is ₹172.56 lakhs.



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

- b) The details with regard to the value of buildings, Companies in whose name the title deeds are held and the reasons therefor are as follows :

(₹ in Lakhs)

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	405.97			Name changed to HBL Power Systems Limited with effect from 12-10-2006
Sub - total (A)	772.04			
B Buildings acquired from :				
1 HBL Power Systems Limited	89.55	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.	
2 HBL NIFE Power Systems Limited	15.86			Name changed to HBL Power Systems Limited with effect from 12-10-2006
3 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)	172.56			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)	944.60			

Note : 6 Capital work in progress

Accounting Policy :

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'.

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Machinery under erection	719.78	1,525.93
Civil works in progress	1,078.93	906.98
Total	1,798.71	2,432.90



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Amount in capital work in progress for a period of

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
As on 31.03.2024					
Project in progress	1,060.46	706.20	32.05	-	1,798.71
Projects temporarily suspended	-	-	-	-	-
Total	1,060.46	706.20	32.05	-	1,798.71
As on 31.03.2023					
Project in progress	1,868.97	548.96	14.97	-	2,432.90
Projects temporarily suspended	-	-	-	-	-
Total	1,868.97	548.96	14.97	-	2,432.90

Note : 7 Intangible assets as on March 31, 2024

Accounting Policy :

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.

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.

Intangible assets are amortized on straight line method over their technically estimated useful lives.

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.

Description	Gross carrying amount			Accumulated amortization		Net carrying amount		
	As on April 1, 2023	Additions	As on March 31, 2024	As on April 1, 2023	For the period	As on March 31, 2024	As on March 31, 2024	As on March 31, 2023
New product development expenditure(internally generated)	5,577.68	37.04	5,614.72	4,923.62	437.04	5,360.66	254.06	654.06
Power facility	96.16	-	96.16	96.16	-	96.16	-	-
Technical knowhow fee	1,663.06	186.54	1,849.60	1,148.39	165.98	1,314.37	535.23	514.66
Software development	991.49	-	991.49	991.49	-	991.49	-	-
Total	8,328.39	223.58	8,551.97	7,159.66	603.02	7,762.68	789.29	1,168.73
Carrying value as at March 31, 2023	7,685.06	643.33	8,328.39	6,590.66	569.00	7,159.67	1,168.73	

Note : 8 Intangible assets under development

Description	As on March 31, 2024	As on March 31, 2023
1) New product development expenditure (Internally generated)		
a) Battery products	-	186.54
b) Electronic products	-	2,302.39
Total	-	2,488.94

Assets meeting the recognition criteria to the tune of ₹223.57 lacs were capitalized during the year out of the total value of ₹2,488.93 lakhs under new product development expenditure and the balance of ₹2,265.36 lakhs was charged off since the respective product development projects were discarded in view of their non viability.



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Amount in Intangible assets under development for a period of					(₹ in Lakhs)
Particulars	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
As on 31.03.2024					
Project in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-
As on 31.03.2023					
Project in progress	-	876.75	483.83	1,128.36	2,488.94
Projects temporarily suspended	-	-	-	-	-
Total	-	876.75	483.83	1,128.36	2,488.94

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, 2024	March 31, 2023
Employee costs	639.88	365.73
Other expenses	459.65	227.28
Finance cost	16.97	5.06
Depreciation and amortization	102.31	45.70
Total	1,218.81	643.77

Note : 9 Leases

Accounting Policy :

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

- The Company recognises Right-of-Use (ROU) asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the ROU asset is measured in accordance with the measurement criteria as per Ind AS 116. The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU asset. The estimated useful lives of ROU assets are determined on the same basis as those of property, plant and equipment. ROU 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.
- 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.
- 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.



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Disclosure as per IND-AS 116

(i) 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 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. 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, 2023	325.08	941.39	1266.47
Additions/adjustments	(98.65)	(332.07)	(430.72)
As on March 31, 2024	226.43	609.32	835.75
Accumulated amortization			
As on April 01, 2023	134.13	583.11	717.24
For the period	31.80	164.63	196.43
Additions/adjustments	(98.65)	(401.66)	(500.31)
As on March 31, 2024	67.28	346.08	413.36
Net carrying amount			
As on March 31, 2024	159.15	263.24	422.39
As on March 31, 2023	190.95	358.28	549.23

(iii) Lease liabilities:

	March 31, 2024	March 31, 2023
Opening balance	593.33	1090.78
Additions/adjustments	69.59	(346.62)
Interest for the year	66.29	77.68
Cash outflow for leases	238.05	228.51
Closing balance *	491.16	593.33
Current lease liability	229.95	229.95
Non-current lease liability	261.21	363.38

* Ageing Analysis of lease liability is disclosed vide note 11.1 on financial instruments.

(iv) The company incurred ₹245.91 lakhs for the year ended March 31, 2024 (Previous year ₹172.81 lakhs) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹483.97 lakhs for the year ended March 31, 2024 (Previous year ₹401.32 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.



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Note : 10 Investments

Accounting policy :

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

(₹ in Lakhs)

				March 31, 2024	March 31, 2023
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	1691000	₹10	Torquedrive Technologies Private Limited	464.10	464.10
5100	5100	₹10	HBL Tonbo Private Limited *	0.51	0.51
975000	-	₹10	TTL Electric Fuel Private Limited	48.75	-
b) Associate company					
41000	41000	₹10	Naval Systems & Technologies Private Limited	4.10	4.10
112156	-	₹100	Tonbo Imaging India Private Limited	8,667.42	-
ii) Subsidiary company : In Preference instruments:					
1000000	-	₹10	TTL Electric Fuel Private Limited	100.00	-
iii) Other companies : In Preference instruments:					
100	-	USD 2.86	Tonbo Imaging Pte Ltd, Singapore	0.23	-
vi) Other companies (Listed but not quoted)					
200	200	₹10	Indian Lead Limited	0.10	0.10
TOTAL				10,871.51	2,055.11
Less : Aggregate provision for diminution in value of investments				1,548.88	1,248.88
Carrying value of non-current investments				9,322.63	806.23

Current investments- quoted :

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

				March 31, 2024	March 31, 2023
Number		Face value	Name of the entity		
Current year	Previous year				
690	690	₹1	JSW Steel Limited	2.58	2.58
TOTAL				2.58	2.58
Less : Aggregate provision for diminution in value of investments				-	-
Carrying value of current investments				2.58	2.58



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

(₹ in Lakhs)

	Non - current	Current	Non - current	Current
10.1 Aggregate amount of quoted investments	0.10	2.58	0.10	2.58
Aggregate market value of quoted investments	Not Available	5.74	Not Available	4.75
Aggregate amount of unquoted investments	10,871.41	-	2,055.01	-
Aggregate amount of impairment / diminution in value of investments	1,548.88	-	1,248.88	-

10.2 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%
TTL Electric Fuel Private Limited	Hyderabad	India	60%
HBL Tonbo Private Limited	Hyderabad	India	51%
Naval Systems & Technologies Private Limited	Hyderabad	India	41%
Tonbo Imaging India Private Limited	Bangalore	India	15.83%
Tonbo Imaging Pte Ltd, Singapore	Cecil Street	Singapore	-

10.3 HBL Tonbo Private Limited (HTPL)

HBL Tonbo Private Limited (HTPL) was incorporated by HBL Power Systems Limited and Tonbo Imaging India Private Limited incorporated on September 12, 2022 with a sharing ratio of 51:49. There were no commercial operations since inception of HTPL. An application under Section 248 (2) of the Companies Act, 2013 was made during FY 22-23 for striking off the name of the Company and is under process with Ministry of Corporate Affairs. In view of the same, a provision for diminution of 100% value of investment in equity shares of HTPL of ₹51,000 has been made during the previous reporting period.

Torquedrive Technologies Private Limited (TTL) :

In view of the permanent diminution of the investments in TTL, an amount of ₹300 lacs had been provided for diminution in value of investments.

TTL Electric Fuel Private Limited (TTL EFL) :

During the year HBL acquired the shareholding of TTL in its subsidiary TTL EFL at the fair value of ₹5/- per equity share of ₹10 face value. HBL also acquired the preference instruments held by TTL in TTL EFL in its entirety along with the outstanding accrued dividends on the optionally convertible redeemable preference shares.

Tonbo Imaging India Private Limited (Tonbo):

During the year the company had acquired 1,12,156 Compulsorily Convertible Preference Shares of Tonbo at ₹86.67 Crs on fair value basis having face value of ₹100 each at a premium of ₹7,628/-- per share. These CCPS carry a cumulative coupon rate of 0.01% and are convertible at the option of the Company.

Note : 11 Financial instruments (financial assets and financial liabilities):

Accounting policy :

- 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.



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

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.

- b) Trade receivables

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

Disclosure in accordance with Ind-AS-107 - 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.



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

B) Financial instruments by category

The carrying and fair value of financial instruments by categories as of March 31, 2024 were as follows: (₹ in Lakhs)

Particulars	March 31, 2024			March 31, 2023		
	Amortised cost	Total carrying value	Total fair value	Amortised cost	Total carrying value	Total fair value
Assets :						
Cash cash equivalents	22,057.47	22,057.47	22,057.47	12,995.77	12,995.77	12,995.77
Other bank balances	1,147.98	1,147.98	1,147.98	1,394.64	1,394.64	1,394.64
Investments in Subsidiaries, Associates & Joint Arrangements	9,325.21	9,325.21	9,328.37	808.81	808.81	810.98
Trade receivables	38,565.17	38,565.17	38,565.17	32,353.60	32,353.60	32,353.60
Other financial assets	8,577.81	8,577.81	8,577.81	5,472.20	5,472.20	5,472.20
Total	79,673.64	79,673.64	79,676.80	53,025.02	53,025.02	53,027.19
Liabilities :						
Trade payables	12,873.19	12,873.19	12,873.19	9,657.91	9,657.91	9,657.91
Borrowings	5,083.70	5,083.70	5,083.70	7,554.06	7,554.06	7,554.06
Lease liability	491.15	491.15	491.15	593.33	593.33	593.33
Other financial liabilities	6,415.97	6,415.97	6,415.97	6,167.20	6,167.20	6,167.20
Total	24,864.01	24,864.01	24,864.01	23,972.50	23,972.50	23,972.50

C) 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, 2024 :

Currency in Lakhs

Particulars	U.S.dollars	Euro	GBP	Total
Trade receivables	49.29	31.38	0.52	81.19
Other financial assets	-	-	-	-
Trade payables	(11.21)	(2.12)	(0.41)	(13.74)
Other financial liabilities	(2.82)	(1.08)	-	(3.90)
Net assets/(liabilities)	35.26	28.18	0.11	63.55



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Analysis of foreign currency risk from financial instruments as of March 31, 2023 :

Currency in Lakhs

Particulars	U.S.dollars	Euro	GBP	Total
Trade receivables	44.16	16.89	2.30	63.35
Other financial assets	-	-	-	-
Trade payables	(14.42)	(0.03)	(0.19)	(14.64)
Other financial liabilities	(2.75)	(0.36)	-	(3.11)
Net assets/(liabilities)	26.99	16.50	2.11	45.60

For the year ended March 31, 2024 and March 31, 2023, 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 ₹632.40 lakhs and ₹885.83 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 ₹38,565.17 lakhs and ₹32,353.60 lakhs as of March 31, 2024 and March 31, 2023, 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, 2024	March 31, 2023
Revenue from top customer	7.30%	6.38%
Revenue from top five customers	28.53%	21.75%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2024 was ₹1,065 lakhs. The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2023 was ₹263.99 Lakhs.

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning	263.99	589.47
Lifetime expected credit loss	955.43	127.63
Credit impairment	(154.42)	(453.11)
Balance at the end	1,065.00	263.99

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, 2024, the Company had a working capital of ₹70,410.03 lakhs including cash and cash equivalents of ₹22,057.47 lakhs.

As of March 31, 2023, the Company had a working capital of ₹59,144.82 lakhs including cash and cash equivalents of ₹12,995.77 lakhs.



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

As of March 31, 2024 and March 31, 2023, the outstanding gratuity and compensated absences were ₹294.77 lakhs and ₹538.37 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 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.

11.1 The table below provides details regarding the contractual maturities of significant financial liabilities. (₹ in Lakhs)

Particulars	< 1 year	1-2 years	> 2 years	Total
As on March 31, 2024				
Trade payables	12,815.67	26.98	30.54	12,873.19
Long term borrowings	1,591.47	1,569.29	23.77	3,184.53
Short term borrowings	1,899.17	-	-	1,899.17
Lease liability	226.24	142.96	121.95	491.15
Other financial liabilities (excluding borrowings from banks and financial institutions)	6,415.97	-	-	6,415.97
As on March 31, 2023				
Trade payables	9,530.79	41.26	85.86	9,657.91
Long term borrowings	950.60	967.94	2,810.26	4,728.79
Short term borrowings	2,825.27	-	-	2,825.27
Lease liability	229.95	200.57	162.81	593.33
Other financial liabilities (excluding borrowings from banks and financial institutions)	6,167.20	-	-	6,167.20

Note : 12

Loans (Refer Note No.43.9)	March 31, 2024	March 31, 2023
Loans to related parties (Unsecured, considered good)		
Loan to subsidiary	220.00	201.53
	220.00	201.53

Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Amount of loan or advance in the nature of loan outstanding
TTL Electric Fuel Private Limited - Subsidiary	220.00	201.53
Percentage to the total loan	100%	100%



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Note : 13 Other financial assets

Accounting Policy :

Cash and Cash equivalents

The company considers all high liquid investment which are readily convertible into amount of cash that are subject to insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consists of balances with banks which are un restricted for withdrawal and usage.

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Non-Current		
Bank deposits (maturity beyond 12 months)		
Fixed deposits	1,008.34	1,188.54
Margin money deposits	2,210.40	1,889.65
Security deposits with Government and others	3,735.39	1,144.37
Advances to employees	15.85	1.55
Accumulated Dividend arrears on preference shares receivable	17.56	-
TOTAL	6,987.54	4,224.11

Note : 14 Other non- current assets

	March 31, 2024	March 31, 2023
Capital advances	176.66	4.44
TOTAL	176.66	4.44

Note : 15 Inventories

Accounting policy :

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

	March 31, 2024	March 31, 2023
Raw materials	22,525.77	18,914.60
Stores, spares. process chemicals, fuels & packing material	949.82	870.23
Stock -in-trade (in respect of goods acquired for trading)	3.18	18.32
Material in transit	208.05	206.83
Consumable tools	201.42	125.50
Work in progress	10,906.38	7,553.36
Finished goods	8,097.18	5,433.98
TOTAL	42,891.80	33,122.82

Disclosure as per Ind AS - 2 - Inventories

During the year ended March 31, 2024, ₹0.16 lakhs (March 31, 2023, ₹52.76 lakhs) was recognised as an expense in respect of inventories carried at net realisable value and an amount of ₹263.83 lakhs representing writedown of inventory on account of abandonment of projects under New Product Under Development, in the statement of profit and loss.



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Note : 16 Trade receivables

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Unsecured, considered good	38,565.17	32,353.60
Unsecured and having significant credit risk	1,065.00	263.99
	39,630.17	32,617.59
Allowance for credit risk	(1,065.00)	(263.99)
TOTAL	38,565.17	32,353.60

Trade receivable ageing 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 31.03.2024						
Undisputed - considered good	33483.17	804.38	672.62	625.58	-	35585.75
Undisputed-significant increase in credit risk	132.45	214.78	44.89	226.16	330.36	948.64
Undisputed - credit impaired	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed-significant increase in credit risk	-	-	-	-	116.36	116.36
Disputed - credit impaired	-	-	-	-	-	-
Unbilled revenue	2979.42	-	-	-	-	2979.42
TOTAL	36595.04	1019.16	717.51	851.74	446.72	39630.17
As on 31.03.2023						
Undisputed - considered good	28560.44	1325.77	909.24	315.08	119.90	31230.43
Undisputed-significant increase in credit risk	33.42	12.52	8.01	0.79	72.89	127.63
Undisputed - credit impaired	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed-significant increase in credit risk	-	-	43.87	-	92.49	136.36
Disputed - credit impaired	-	-	-	-	-	-
Unbilled revenue	1123.17	-	-	-	-	1123.17
TOTAL	29717.03	1338.29	961.12	315.87	285.28	32617.59

Note : 17

17.1 Cash and cash equivalents

	March 31, 2024	March 31, 2023
Balances with banks in current accounts	451.18	616.26
Balances with banks in cash credit accounts	3693.22	5741.26
Cash on hand	10.29	4.46
Fixed deposits (maturity of less than three months)	17902.78	6633.78
TOTAL	22057.47	12995.77

17.2 Other bank balances

	March 31, 2024	March 31, 2023
Balances with banks in other current accounts	9.97	15.26
Fixed deposits (maturity of between 3-12 months)	533.03	103.97
Margin money deposits	545.10	1220.57
Dividend account	59.88	54.84
TOTAL	1147.98	1394.64



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

17.3 Financial assets - others (current)

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Security deposits with government and others	71.89	156.14
Advances to employees	81.42	59.04
Claims & other receivables (Refer Note No.17.4)	867.95	442.80
Interest accrued but not due on deposits	569.01	388.59
TOTAL	1,590.27	1,046.56

17.4 Claims and other receivables include :

	March 31, 2024	March 31, 2023
a) Insurance claim on account of heavy rainfall (Refer Note : 17.5)	95.16	95.16
b) Payments under protest for pending indirect tax litigations	400.74	276.79
c) Other receivables	372.05	70.85
TOTAL	867.95	442.80

17.5 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 against which the company filed a suit. The matter is still sub-judice.

Note: 18 Current tax assets (net)

	March 31, 2024	March 31, 2023
Advance payment of income tax (including TDS)	-	6,400.86
Less : Provision for income tax	-	6,100.00
TOTAL	-	300.86

Note: 19 Other current assets

	March 31, 2024	March 31, 2023
A) Advances other than capital advances:		
Advances to employees	72.05	53.57
Advances to vendors for supply of goods / services	1,719.74	5,246.44
B) Others:		
Prepaid expenses	416.77	360.72
Export incentives receivable	32.03	29.63
GST/service tax input/VAT receivables	652.74	328.55
Other advances	204.27	241.71
TOTAL	3,097.60	6,260.62



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Note : 20 Equity share capital

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
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

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

Equity shares	March 31, 2024		March 31, 2023	
	No. of Shares	Value ₹	No. of Shares	Value ₹
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

20.2 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 dividend 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.

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

Name of the shareholder	March 31, 2024		March 31, 2023	
	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				
Aluru Family Pvt Trust-Trustee Kavita Prasad Aluru	14,22,05,858	51.30	14,21,22,643	51.27

20.4 Shares held by promoters at the end of the year

Sl. No	Name of the promoter	March 31, 2024		March 31, 2023		% 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	26,92,827	0.97	-
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	97,88,386	3.53	-
5	M Advay Bhagirath	39,17,600	1.41	39,17,600	1.41	-
6	M Deeksha	20,87,187	0.75	20,87,187	0.75	-
7	Aluru Family Pvt Trust-Trustee Kavita Prasad Aluru	14,22,05,858	51.30	14,21,22,643	51.27	0.03
8	Mikkilineni Family Pvt Trust-Trustee Kavita Prasad Aluru	2,53,134	0.09	2,53,134	0.09	-
	Total	16,38,52,309	59.11	16,37,69,094	59.08	0.03



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Note : 21 Other equity - (refer statement of changes in equity)

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
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)	62,419.88	37,457.53
TOTAL	1,17,762.38	92,800.03

Note : 22 Non- current - financial liabilities

22.1 Borrowings (Refer Note No.35)

	March 31, 2024	March 31, 2023
Term loans from banks (secured)		
ICICI Bank Ltd	-	3,272.73
Axis Bank Ltd	1,500.00	439.88
HDFC Bank Ltd. - against vehicles	93.06	65.59
TOTAL	1,593.06	3,778.20

22.2 Lease liability (Refer Note No. 9)

	March 31, 2024	March 31, 2023
Lease liability	264.91	363.38
TOTAL	264.91	363.38

22.3 Current - financial liabilities

Borrowings (current maturities) (Refer Note No.35)

	March 31, 2024	March 31, 2023
Long term debt from banks (secured)		
ICICI Bank Ltd	-	818.18
Axis Bank Ltd	1,500.00	77.63
HDFC Bank Ltd. - against vehicles	91.47	54.79
TOTAL	1,591.47	950.60

22.4 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.

22.5 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 and Axis :

ICICI Bank sanctioned term loan of ₹4,500.00 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. An amount of ₹22.73 cr pertaining to the subsequent year had been prepaid in March 2024.



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

AXIS Bank sanctioned term loan of ₹7,500.00 lakhs for refinancing the capital expenditure of the Company. The loan is secured by a first Paripassu charge on present and future assets (movable or immovable) of the company alongwith other term lenders.

(₹ in Lakhs)

Name of the bank	Loan amount drawn	No of instalments	% of interest	Outstanding as on March 31, 2024
Axis Bank	7,295.00	20 (QTLY) commencing from Sep 23	8.75	3,000.00

An amount of ₹31.70 cr had been prepaid during the year along with the dues outstanding for the previous year.

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.

22.6 As on the balance sheet date, there were no continuing defaults in repayment of borrowings and interest.

22.7 The company has utilized the borrowings from banks and financial institutions for the specific purpose for which it was taken.

22.8 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.

Note : 23

23.1 Provisions (non - current)

	March 31, 2024	March 31, 2023
Provision for employee benefits (Refer Note No. 34)		
Provision for earned leave encashment	251.82	224.91
TOTAL	251.82	224.91

23.2 Provisions (current)

	March 31, 2024	March 31, 2023
Provision for employee benefits (Refer Note No. 34)		
Provision for earned leave encashment	88.18	42.59
Provision for gratuity *	-	270.87
Other provisions		
Provision for warranties (Refer Note No. 43.1)	4,752.67	3,202.61
Provision for commission on profits to director	1,905.63	377.60
Contingency provision	-	10.00
TOTAL	6,746.48	3,903.68
* Present value of obligation	2,570.23	2,174.38
Fair value of plan asset	2,597.01	1,903.51
Short fall provided for	(26.78)	270.87

Note : 24 Deferred tax liability (net) (Refer Note No.41)

	March 31, 2024	March 31, 2023
Deferred tax liability (as per last balance sheet)	1,026.66	1,070.56
Add: Deferred tax (asset)/liability for the year	(237.17)	(43.90)
TOTAL	789.49	1,026.66



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Note : 25 Borrowings (Refer Note No.35)

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
A) Loans repayable on demand from banks (secured)		
State Bank of India	-	-
ICICI Bank Ltd	-	-
Axis Bank Ltd	-	-
Buyer's credit from banks	-	-
TOTAL (A)	-	-
B) Other loans from banks (unsecured)		
Purchase bill discounting from Kotak Mahindra Bank Ltd	1,057.36	1,883.48
Purchase bill discounting from Axis Bank Ltd	575.48	941.79
Purchase bill discounting from ICICI Bank Ltd	266.33	-
TOTAL (B)	1,899.17	2,825.27
(C) Current maturities of long-term debt(refer note - 22.3)	1,591.47	950.60
TOTAL (C)	1,591.47	950.60
TOTAL (A + B + C)	3,490.64	3,775.86

25.1 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.

25.2 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 financing from ICICI Bank Ltd are unsecured and irrevocable mandate provided to bank for debiting to ICICI Bank cash credit account held with the bank on the relevant due dates.

Note : 26 Lease liability (Refer Note No. 9)

	March 31, 2024	March 31, 2023
Lease liability	226.24	229.95
TOTAL	226.24	229.95

Note : 27 Trade payables (Refer Note No. 11)

	March 31, 2024	March 31, 2023
Total outstanding dues of :		
(a) Micro enterprises and small enterprises (MESE)	1,492.61	1,713.12
(b) Creditors other than micro enterprises and small enterprises	11,380.58	7,944.79
TOTAL	12,873.19	9,657.91



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

27.1 Trade Payable aging schedule

(₹ in Lakhs)

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 31.03.2024					
(i) MSME	1,491.35	-	-	-	1,491.35
(ii) Others	11,116.27	26.98	2.55	26.72	11,172.52
(iii) Disputed dues- MSME	-	-	-	1.27	1.27
(iv) Disputed dues- Others	-	-	-	-	-
(v) Liability for materials	208.05	-	-	-	208.05
Total	12,815.67	26.98	2.55	27.99	12,873.19
As on 31.03.2023					
(i) MSME	1,713.12	-	-	-	1,713.12
(ii) Others	7,610.84	41.26	36.70	49.16	7,737.96
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
(v) Liability for materials	206.83	-	-	-	206.83
Total	9,530.79	41.26	36.70	49.16	9,657.91

27.2 Details relating to micro, small & medium enterprises :

	March 31, 2024	March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier at the year end :		
Principal amount	1492.61	1713.12
Within due date	1492.61	1713.12
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 periods 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.



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Note : 28 Other financial liabilities - current (Refer Note No. 11)

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Unpaid/unclaimed dividends (refer note - 28.1)	59.88	54.84
Trade deposits	151.53	161.49
Creditors for capital expenditure	183.56	352.53
Invoice mart payable	2,023.73	2,549.75
Statutory dues	1,754.49	1,479.30
Directors' current account	34.55	176.34
Accrued compensations to employees	2,208.23	1,392.95
TOTAL	6,415.97	6,167.20

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

Note : 29 Other current liabilities

	March 31, 2024	March 31, 2023
Advances against sales	4,796.53	2,389.70
Un earned and deferred revenue	2,440.02	-
Accrued expenses	1,167.32	2,208.32
TOTAL	8,403.87	4,598.02

Note : 30 Current tax liabilities (net)

	March 31, 2024	March 31, 2023
Provision for income tax	12,503.80	-
Advance payment of income tax (including TDS)	11,717.34	-
TOTAL	786.46	-

Note : 31 Revenue recognition

Accounting policy:

- 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.



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

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: (₹ in Lakhs)

Particulars	Battery		Electronics & Others		Total
	Within India	Outside India	Within India	Outside India	
March 31, 2024					
Revenue from customers					
Timing of revenue recognition					
(a) At a point in time	1,14,002.40	18,883.31	46,833.14	9,764.98	1,89,483.83
(b) Over time	-	-	31,375.59	-	31,375.59
Total	1,14,002.40	18,883.31	78,208.73	9,764.98	2,20,859.42
March 31, 2023					
Revenue from customers					
Timing of revenue recognition					
(a) At a point in time	82,360.27	11,922.15	28,071.81	8,918.15	1,31,272.38
(b) Over time	-	-	3,702.53	-	3,702.53
Total	82,360.27	11,922.15	31,774.34	8,918.15	1,34,974.91

Customer category wise disaggregation

Particulars	March 31, 2024		March 31, 2023	
	Battery	Electronics & Others	Battery	Electronics & Others
Revenue from customers				
Railways	16,658.63	38,308.91	13,497.51	7,633.34
Telecom/Industry	96,807.38	14,839.68	67,560.20	12,453.58
Defence	536.39	25,060.14	1,302.56	11,687.42
Exports	18,883.31	9,764.98	11,922.15	8,918.15
Total	1,32,885.71	87,973.71	94,282.42	40,692.49

B) Contract balances

The following table provides information about trade receivables, contracts assets, and contract liabilities from contracts with customers.

Particulars	March 31, 2024	March 31, 2023
Receivables	38,565.17	32,353.60
Contract assets	2,979.42	1,123.17
Contract liabilities	4,796.53	2,389.70

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, 2024	March 31, 2023
Opening Balance	2,389.70	1,854.68
Received during the year	38,721.27	21,209.28
Revenue recognised / Adjusted	(36,314.45)	(20,674.26)
Closing Balance	4,796.52	2,389.70



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

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.

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 (₹ in Lakhs)

Provision movement	March 31, 2024		March 31, 2023	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Opening balance	263.99	-	589.47	-
Add: Additions / expected lifetime credit loss	955.43	-	127.63	-
Less: Write off / impairment	154.42	-	453.11	-
Less: Reversal	-	-	-	-
Closing balance	1,065.00	-	263.99	-

Revenue from operations

	March 31, 2024	March 31, 2023
a) Sale of products	1,85,149.95	1,24,580.65
b) Sale of traded goods	21.32	514.25
c) Sale of services	34,497.99	8,776.57
d) Other operating revenue - sale of scrap	1,190.16	1,103.45
TOTAL	2,20,859.42	1,34,974.91

Note : 32 Other income

Accounting Policy :

- i) Claims against outside agencies are accounted for on certainty of realization.
- ii) 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.
- iii) Export incentives under various schemes are recognized as income on certainty of realization.
- iv) **Foreign currency transactions**
 - a) 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.
 - b) 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.



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

- c) 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. Foreign currency gains and losses are reported on a net basis.

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
a) Interest income		
Interest received on deposits with banks/others	642.95	564.77
Interest on IT refunds	11.95	10.48
b) Other non-operating income (net of directly attributable expenses)		
Exchange gains	632.40	885.83
Miscellaneous income	378.11	323.03
(including gain / loss on termination / modification of leases)		
TOTAL	1,665.41	1,784.11

Disclosure as per Ind AS -21 - The effects of changes in foreign exchange rates

	March 31, 2024	March 31, 2023
Exchange differences arising out of settlement / translation on account of :		
a) Exports	258.72	622.24
b) Imports	380.50	284.62
c) Others	(6.82)	(21.03)
Net gain (loss) recognised during the year	632.40	885.83

Note : 33 Cost of material consumed

	March 31, 2024	March 31, 2023
Opening stocks	18,914.60	15,331.09
Purchases, material, components & consumables	1,23,910.77	86,124.70
	1,42,825.37	1,01,455.79
Less : Closing stocks	22,525.77	18,914.60
	1,20,299.60	82,541.19
Less : Internal capitalisation	-	2.00
Cost of material consumed	1,20,299.60	82,539.19

Note : 34 (Increase) / decrease in inventories of finished goods, stock-in-trade and work-in-progress (Refer Note No.15)

	March 31, 2024	March 31, 2023
a) Manufactured goods		
i) Opening stocks		
a) Semi finished goods	7,553.36	7791.33
b) Finished goods	5,433.98	5203.90
TOTAL (A)	12,987.34	12995.23
ii) Closing stocks		
a) Semi finished goods	10,906.38	7,553.36
b) Finished goods	8,097.18	5,433.98
TOTAL (B)	19,003.56	12,987.34
(Increase) / Decrease (C = A - B)	(6,016.22)	7.89
b) Traded Goods		
Opening stock of traded goods	18.32	26.25
Closing stock of traded goods	3.18	18.32
(Increase) / Decrease (D)	15.14	7.93
(Increase) / Decrease in inventory (C+D)	(6,001.08)	15.82



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Note : 35 Employee benefits

Accounting policy :

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 (PUC) 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.

All defined benefit plan obligations are determined based on valuation as at the end of the reporting period, made by independent actuary using the PUC 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.

iv) 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: (₹ in Lakhs)

	March 31, 2024	March 31, 2023
Employer's contribution to PF/ESI/ pension plan	787.09	659.14

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 (PUC) 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, 2024	March 31, 2023
Present value of obligation	2570.23	2174.39
Fair value of plan assets	2597.01	1903.51
Surplus / (deficit)	26.78	(270.87)
Effects of asset ceiling, if any	-	-
Net asset/(liability)	26.78	(270.87)

Expense recognized during the period (including premium paid)

Particulars	March 31, 2024	March 31, 2023
In income statement (P&L a/c--expense provision)	193.47	180.85
In other comprehensive income (B/sheet item)	226.18	98.28



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

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.

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	₹25,00,000
Gratuity formula	(15/26) x last drawn salary x 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

(₹ in Lakhs)

Particulars	For the period ending	
	March 31, 2024	March 31, 2023
Present value of obligation as at the beginning	2,174.39	2,021.43
Current service cost	185.03	151.81
Interest expense or cost	154.11	138.14
Actuarial (gains) / loss on obligations	207.51	99.04
Past service cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits paid	(150.81)	(236.03)
Acquisition adjustment	-	-
Effect of business combinations or disposals	-	-
Present value of obligation as at the end	2,570.23	2,174.39
Bifurcation of net liability		
Current liability (short term)	472.00	339.63
Non-current liability (long term)	2,098.23	1,834.76
Net liability	2,570.23	2,174.39

Changes in the fair value of plan assets

	March 31, 2024	March 31, 2023
Fair value of plan assets as at the beginning	1,903.51	1,788.16
Acquisition adjustment	(14.82)	(18.88)
Expected return on plan assets	160.55	127.21
Contributions	717.25	242.29
Benefits paid	(150.81)	(236.03)
Actuarial gain/(loss) on plan assets	(18.67)	0.76
Fair value of plan assets as at the end	2,597.01	1,903.51



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Other comprehensive income

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Actuarial (gains) / losses - change in demographic assumptions	-	-
Actuarial (gains) / losses - change in financial assumptions	-	(36.33)
Actuarial (gains) / losses - experience variance	-	135.37
Actuarial (gains) / loss on obligations	207.51	99.04
Actuarial (gains) / loss on plan assets	(18.67)	0.76
Total other comprehensive income(OCI)	226.18	98.28

(ii) Long term compensated absences - leave encashment:

The present value of obligation for long term compensated absences is determined on actuarial valuation using PUC method and is charged to Profit and Loss account. The obligation is not funded.

Assets and liability (balance sheet position)

Particulars	March 31, 2024	March 31, 2023
Present value of obligation	335.48	264.66
Fair value of plan assets	-	-
Surplus / (deficit)	(335.48)	(264.66)
Effects of asset ceiling, if any	-	-
Net asset/(liability)	(335.48)	(264.66)

Expense recognized during the period

Particulars	March 31, 2024	March 31, 2023
In Income statement (P&L--expense provision)	142.64	26.61
Current service cost	45.09	33.31

Actuarial Valuation Method

The valuation has been carried out using the Project Unit Credit (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.

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



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Changes in the present value of obligation (₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Present value of obligation as at the beginning	264.66	240.84
Current service cost	45.09	33.31
Interest expense or cost	16.79	16.14
Actuarial (gain)/ loss on obligations	80.76	(22.84)
Past service cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits paid	(71.82)	(2.79)
Acquisition adjustment	-	-
Effect of business combinations or disposals	-	-
Present value of obligation as at the end	335.48	264.66

Bifurcation of net liability

Particulars	March 31, 2024	March 31, 2023
Current liability (short term)	88.18	42.59
Non-current liability (long term)	247.30	222.07
Net liability	335.48	264.66

Changes in the fair value of plan assets

Particulars	March 31, 2024	March 31, 2023
a) Fair value of plan assets at the start:	-	-
b) Acquisition adjustments	-	-
c) Expected return on plan assets	-	-
d) Contributions	-	2.79
e) Benefits paid	-	(2.79)
f) Actuarial gain /(loss) on plan assets	-	-
g) Fair value of plan assets as at the end	-	-

Employee benefits expense:

	March 31, 2024	March 31, 2023
Salaries & bonus	10,842.68	8,208.32
Contribution to provident & other funds	778.93	649.25
Gratuity	193.47	180.85
Staff welfare expenses	1,086.94	859.92
Recruitment & training	26.18	13.96

Remuneration to directors:

Salaries & allowances	108.06	129.46
Contribution to provident fund	8.16	9.89
Commission on profits	1,905.63	377.60
Directors sitting fees	4.90	4.10
TOTAL	14,954.95	10,433.35



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Note : 36

Accounting Policy :

Borrowing costs

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

Disclosure as per Ind AS - 7

Statement of reconciliation for changes in liabilities arising from financing activities.

(₹ in Lakhs)

	Long-term borrowings	Working capital borrowings
Opening balance	4,728.79	2,825.27
Borrowed during the year	6,919.38	-
Repaid during the year	(8,463.64)	-
Net movement	(1,544.26)	(926.09)
Closing balance	3,184.53	1,899.17

Finance cost

	March 31, 2024	March 31, 2023
Interest on term loans	663.06	324.55
Interest on bank borrowings	114.32	70.72
Interest on vehicle loans	15.64	7.99
Interest on lease liability	66.29	77.68
Interest - others	18.27	58.93
Bank charges & commission	421.26	321.17
	1,298.84	861.03
Less: Transfers to pre-operative expenses	56.95	238.08
TOTAL	1,241.89	622.96

Note : 37 Depreciation and amortization expense

	March 31, 2024	March 31, 2023
Depreciation on tangible assets	3,141.29	2,685.28
Amortisation on intangible assets	603.02	569.00
Amortisation on right of use assets	196.43	176.34
TOTAL	3,940.74	3,430.63

Note : 38 Works contract expenses

	March 31, 2024	March 31, 2023
Works contract expenses	14,254.94	1,126.95
TOTAL	14,254.94	1,126.95



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Note : 39

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
A) Manufacturing expenses		
Stores & spares consumed	1,918.73	1,602.13
Equipment lease rentals	104.15	44.03
Consumption of Consumable tools	165.47	111.68
Contract wages	10,600.99	6,787.58
Testing charges	227.82	310.57
Power and fuel	6,216.66	4,901.93
TOTAL	19,233.82	13,757.91
B) Administrative expenses		
Rent	141.76	128.78
Rates, duties & taxes	485.15	299.87
Insurance	434.93	327.33
Professional & consultancy charges	1,513.52	721.54
Expenditure incurred on corporate social responsibility activities	178.94	167.37
Repairs and maintenance	1,783.25	1,399.21
Travelling and conveyance	1,542.60	1,258.99
Sundry expenses	1,063.18	920.84
Payments to auditors	35.00	35.00
Audit expenses	8.75	3.13
Advances & deposits written off	174.20	4.53
TOTAL	7,361.28	5,266.58
C) Selling expenses		
Freight & insurance on sales	4,663.17	3,494.65
Commission on sales	358.41	352.46
Liquidated damages	-	539.07
Credit impairment	-	52.32
Lifetime expected credit loss	955.43	127.63
Provision for warranties	1,550.06	1,242.31
Installation charges paid	789.08	589.41
Televan hire charges	0.01	-
Other selling expenses	570.01	560.05
TOTAL	8,886.17	6,957.91

Note : 40 Exceptional items of (income)/expenditure

	March 31, 2024	March 31, 2023
Loss on fire accident	48.34	-
Impairment / diminution In value of investments (Refer Note No. 10.3)	300.00	0.51
(Profit)/loss on sale of assets	10.48	(457.20)
(Profit)/Loss on sale and exchange of land	(4.31)	-
Assets written off	2,686.09	323.43
Other liabilities written back	(223.35)	-
TOTAL	2,817.25	(133.26)



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Note : 41 Current tax and deferred tax

Accounting Policy :

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.

Income tax and Sales tax assessments:

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.

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.



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

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: (₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Profit before tax excluding profit on sale of land and after other comprehensive income	35,286.54	12,070.68
Profit on sale of land	4.30	464.32
Profit before tax after other comprehensive income	35,290.84	12,535.00
Enacted tax rates (%)		
On Business income	25.17	25.17
On Capital gains	25.17	25.17
Computed expected tax expense	8,882.00	3,154.81
Tax effect due to non-taxable income	(1.08)	(116.86)
Tax reversals	(44.92)	(194.74)
Tax effect due to non-deductible expenses	1,092.06	236.41
Tax effect on others	(548.06)	20.38
Income tax expense	9,380.00	3,100.00
Effective tax rate %	26.58	24.73

- b) Details of income tax assets and income tax liabilities are as follows:

	March 31, 2024	March 31, 2023
Advance tax / TDS	11,717.34	6,400.86
Provision for income tax	12,503.80	6,100.00
Asset / (liability)	(786.46)	300.86

- c) The gross movement in the current income tax asset / (liability) is as follows:

	March 31, 2024	March 31, 2023
Net current income tax asset / (liability) at the beginning	300.86	(239.04)
Add : income tax paid / adjusted (net of refund received)	8,292.70	3,639.89
Less : provision for current tax	9,380.00	3,100.00
Net current income tax asset / (liability) at the end	(786.46)	300.86

- d) The tax effects of significant temporary differences that resulted in deferred income tax asset and liability are as follows:

Particulars	March 31, 2024	March 31, 2023
Deferred tax liability		
Property, plant and equipment	1,142.13	1,160.43
Total	1,142.13	1,160.43
Deferred tax asset		
Leave encashment	85.57	67.32
Provision for doubtful debts	267.07	66.44
Total	352.64	133.77
Deferred tax liability after set off of deferred tax asset	789.49	1,026.66



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

e) The gross movement in the deferred income tax account is as follows: (₹ in Lakhs)

	March 31, 2024	March 31, 2023
Net deferred tax liability at the beginning	1,026.66	1,070.55
Credit / (charge) relating to temporary differences	(237.17)	(43.88)
Net deferred income tax liability at the end	789.49	1,026.66

42 Earnings Per Share (EPS)

Accounting policy :

- 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.
- 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.

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

Computation of EPS (Basic & Diluted)

	March 31, 2024	March 31, 2023
Profit before OCI	26,378.99	9,553.85
Profit after OCI	26,209.73	9,480.31
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 ₹	9.52	3.45
Diluted ₹	9.52	3.45
EPS after OCI		
Basic ₹	9.46	3.42
Diluted ₹	9.46	3.42

Note : 43 Other Disclosure as per schedule III of the act and Ind AS:

43.1 Movement of warranties provisions during the year 2023-24

Particulars	Provision for warranties
a) the carrying amount at the beginning of the period	3,202.61
b) additional provisions made in the period, including increases to existing provisions	4,325.75
c) amounts reversed on completion of warranty period	(2,257.76)
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.	(517.93)
f) the carrying amount at the end of the period ;	4,752.67

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, 2024

43.2 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:

(₹ in Lakhs)

Nature of contingent liability	March 31, 2024	March 31, 2023
i) Contingent liabilities not provided for:		
a) Claims against the Company not acknowledged as debts towards :		
Excise duty	2,472.78	2,472.78
Sales tax	690.52	669.76
Custom duty	488.70	488.70
Service Tax	194.90	194.90
Goods and service tax	38.98	16.98
Property tax	242.03	242.03
Fuel surcharge adjustment	224.23	224.61
Erstwhile promoters of SCIL Infracon Private Limited *	542.04	542.04
Others	227.93	394.80
b) Un-expired guarantees issued on behalf of the Company by banks for which the Company gave counter guarantees	16,695.89	14,646.68
Corporate guarantee given to bank on behalf of stepdown subsidiary in respect of loan taken by them	1,271.00	1,271.00
ii) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,493.91	983.75

*The erstwhile promoters of M/s. SCIL Infracon Private Limited filed a petition with the Sole Arbitrator making several new claims against the Company and others. The Arbitration award allowed, only one claim of theirs, relating to Unsecured Loans of ₹2.08 cr to be paid along with interest of 12% p.a., effective from 31.01.2011 till the date of the payment. On an appeal preferred by the Company against the arbitral award, the Hon'ble Civil Court granted stay on the operation of the award on condition of depositing 50% of the amount awarded with interest till date of the order. The Company deposited the 50% amount along with interest amounting to ₹2.71 cr on 17th April 2023 in compliance of the Hon'ble Civil Court's order as modified by the Hon'ble High Court. However, the appeal against the arbitral award is yet to be decided by the Hon'ble Civil Court and the matter is still sub-judice. The company's legal counsel, based on the facts of the case, opined that the claim is not admissible and is likely to be dismissed by the Hon'ble City Civil Court. Based on the above facts, the claim is not acknowledged as debt against the company and is appropriately reported as a contingent liability.

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.

43.3 Commitment towards dividend

The Board in its meeting held on May 27, 2024 has recommended a dividend of ₹0.50 paise per Equity Share of ₹1/- each for the financial year ended March 31, 2024. 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 ₹1,385.97 lakhs towards dividend.

43.4 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 hud-hud cyclone. The Company's claim for the resultant losses was partly allowed by the Insurers and the balance claims were repudiated. The matter



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

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 company. Subsequently on an appeal by the insurer further proceedings of arbitration were stayed by the commercial Court. The matter is sub judice.

43.5 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 trued up, accounting adjustments have been made wherever found necessary. Such confirmations are awaited from some parties, comprising of government departments and public sector undertakings.

43.6 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.

43.7 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.

43.8 Disclosure on Ratios

Sl. No	Ratio	Numerator	Denominator	Current reporting period Ratio	Previous reporting period Ratio	Variation	Reasons
1	Current ratio	Current assets	Current liabilities	2.81	3.09	-9.05%	
2	Debt equity ratio	Total debt	Shareholder's equity	0.05	0.09	-45.75%	Reduction in debt
3	DSCR	Earnings available for debt service \$	Debt Service #	4.00	4.10	3.27%	
4	Return on equity	Net profit afer tax	Average shareholder's equity	0.24	0.10	133.82%	Increase in turnover and improved profitability due to increase in margins
5	Inventory turnover	Net sales	Average inventory	5.81	4.27	36.21%	Increase in turnover
6	Trade receivable turnover	Net sales	Average trade receivables	6.23	4.28	45.63%	Increase in turnover
7	Trade payable turnover	Purchases	Average trade payables	11.00	9.45	16.37%	
8	Net capital turnover	Net sales	Working capital	3.14	2.28	37.45%	Increase in turnover and optimum utilisation of working capital
9	Net profit ratio	Net profit after tax	Net Sales	11.87	7.02	68.96%	Increase in turnover and margin
10	Return on capital employed	Earning before interest and taxes	Capital employed *	28.79	12.56	129.18%	Improved profitability due to increase in margins
11	Return on investment	Time weighted rate of return		-	-	-	
	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



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Sl. No	Ratio	Numerator	Denominator	Current reporting period	Previous reporting period	Variation	Reasons
				Ratio	Ratio		
	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, assets written off etc.,					
#	Debt service	Interest and lease payments + Principal repayments					
*	Capital employed	Tangible Net worth + Total Debt + Deferred Tax Liability					

43.9 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)		
		HBL TONBO Private Limited		
		TTL Electric Fuel Private Limited (EFL)		
2	Associate	Naval Systems & Technologies Private Limited		
		Tonbo Imaging India Private Limited		
3	Investee Company	Tonbo Imaging Pte Ltd, Singapore		
4	Key Management Personnel	Dr A J Prasad	Chairman & Managing Director	
		Kavita Prasad	Non-Executive Director	
		M S S Srinath	President	
		M Advay Bhagirath	Non-Executive Director	
		M Deeksha	Non-Executive Director	
		E Sairam	Chief Financial Officer	
		GBS Naidu	Company Secretary	
		Non-Executive Directors		
		P. Ganapathi Rao	Independent Director	
		Preeti Khandelwal	Independent Director	
		K Venkat Sriram	Independent Director	
		Richa Datta	Independent Director	
S Narsing Rao	Independent Director			



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Disclosure of transactions with related parties and the status of outstanding balances.

(₹ in Lakhs)

Sl. No	Name	Nature of transaction	Transactions during the year	As on March 31, 2024	
				Gross receivables (un-secured)	Gross payables
1	Subsidiaries	Acquisition of equity shares	48.75		
			(295.51)		
		Acquisition of Preference shares	100.00		
			-		
		Sale of goods	7,637.24	3,113.21	
			(4,176.14)	(2,341.57)	
		Purchase of Assets	1.40		-
			(107.82)		(257.14)
		Purchase of goods	2.89		47.94
			(2.15)		(47.94)
2	Associate	Accumulated Preference share Dividend	17.56	17.56	-
			-	-	
		Funds given (loan)	20.00	220.00	-
			(200.00)	(200.00)	-
		Interest/Commission received	21.22	-	-
			(16.48)	(1.53)	-
		Acquisition of preference shares	8,667.42		
			-		
		Sale of goods/services	6,884.90	(4.13)	
			-	-	
3	Investee Company	Acquisition of preference shares	0.23		
			-		
4	Key management personnel	Remuneration paid	298.45	-	
			(226.72)		
		Commission on profits	1,905.63	-	1943.20
			(377.60)		(179.46)
		Rent paid	9.35	-	
			(8.50)		
	Sitting fee paid to non-executive directors	4.90	-	-	
		(4.10)	-	-	

Figures in brackets represent previous year balances



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

Directors / key management personnel interested companies as on March 31, 2024

SI 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%)
			Naval Systems & Technologies Private Limited	Naval Systems & Technologies Private Limited (10%)
2	Mr. MSS Srinath	Promoter and President	Beaver Technologies Private Limited	Beaver Technologies Private Limited (21.71%)
			Torquedrive Technologies Private Limited	-
			TTL Electric Fuel Private Limited	-
			Moebius Power Electronics Private Limited	Moebius Power Electronics 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	-
			Moebius Power Electronics Private Limited	Moebius Power Electronics Private Limited (50%)
			HBL Tonbo Private Limited – Under Strike off process.	-
II Key managerial personnel				
1	Mr. E Sairam	Chief Financial Officer (HBL)	Tonbo Imaging India Private Limited - Nominee Director of HBL	Not Applicable
2	Mr. GBS Naidu	Company secretary	Not Applicable	Not Applicable

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 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 atleast 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.



Notes forming part of the Standalone Financial Statements

for the year ended March 31, 2024

a) Gross amount required to be spent by the Company during the year ₹177.05 Lakhs (Previous year ₹119.75 Lakhs).

b) The details of amounts spent during the year on CSR activities are as follows: (₹ in Lakhs)

Nature of CSR activities	March 31, 2024	March 31, 2023
i) Eradication of malnutrition and hunger	77.63	81.10
ii) Health care	0.72	0.00
iii) Promotion of children education	78.02	29.31
iv) Safe Drinking Water Facility	7.37	0.00
v) Contribution to eligible entities	15.20	56.96
Total	178.94	167.37
iv) Unspent balance provided in the books	-	0.00
Total	178.94	167.37
CSR Budget approved by the Board	200.00	167.44
Cumulative unspent balance (ongoing projects)	-	6.42

43.12 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

For LNR Associates

Chartered Accountants

FRN No. 05381S

Raghuram Vedula

Partner

M.No : 242883

UDIN : 24242883BKGWEZ2547

Place : Hyderabad

Date : May 27, 2024

On behalf of the board

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

E Sairam

Chief Financial Officer

Kavita Prasad Aluru

Director

DIN : 00319292

GBS Naidu

Company Secretary

Place : Hyderabad

Date : May 27, 2024



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 associates, as stated in Note 45.10, which comprise the Consolidated Balance Sheet as at March 31, 2024, 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 material 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 associates as at March 31, 2024, 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 associates 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 consolidated financial statements and auditor's report thereon

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The Parent Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Parent Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.



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 associates 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 companies 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 companies are responsible for assessing the ability of the Group and of its associate companies 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 companies are responsible for overseeing the financial reporting process of the Group and of its associate companies.

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.

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 entities 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

- (a) We did not audit the financial statements / financial information of 2 (Two) Foreign subsidiaries, whose financial statements / financial information reflect total assets of ₹3,440.37 lakhs as at March 31, 2024, total revenues of ₹9,607.02 lakhs and net cash outflows amounting to ₹58.70 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 after tax of ₹1,282.42 and total comprehensive income of ₹1,280.82 lakhs for the year ended March 31, 2024, as considered in the consolidated financial statements, in respect of 2 (two) associates, whose financial statements / financial information have not been audited by us.
- (b) 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:

- (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 of the aforesaid consolidated financial statements.
- (b) 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.

- (c) 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 the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (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, 2024 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its associate companies incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on March 31, 2024 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 associates – Refer Note 45.2 to the consolidated financial statements.
 - (ii) The Group and its associate companies 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 two associate companies 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) (a) The dividend declared and paid by the Parent Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) As stated in Note 45.3 to the consolidated financial statements, 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.
- (vi) Based on our examination which included test checks performed by us on the Parent Company and its subsidiaries incorporated in India, and that performed by the respective auditors of the associates which are companies incorporated in India whose financial statements have been audited under the Act, the Parent Company, its subsidiaries and associates have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the process of binding the MAC address for the user's login is currently pending in the case of Parent Company and its subsidiaries. Further, during the course of our audit, we and respective auditors of the above referred associates did not come across any instance of audit trail feature being tampered with.
- (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 associate companies 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 L N R Associates
Chartered Accountants
FRN 053815

Raghuram Vedula
Partner
M.No. 242883
UDIN: 24242883BKGWFA9603

Place: Hyderabad
Date: May 27, 2024



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, 2024, we have audited the internal financial controls over financial reporting of the Parent, its Subsidiaries and Associates 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 Associates, 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 companies, 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 companies, 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 companies, 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 companies, 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, 2024, based on the internal control over financial reporting criteria established by the Parent Company, its subsidiaries and its associate companies, 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 in so far as it relates to two subsidiaries and two associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of those companies.

For L N R Associates

Chartered Accountants

FRN 05381S

Raghuram Vedula

Partner

M.No. 242883

UDIN: 24242883BKGWFA9603

Place: Hyderabad

Date: May 27, 2024



Consolidated Balance Sheet as at March 31, 2024

(₹ in Lakhs)

Particulars	Note	As at March 31, 2024		As at March 31, 2023	
I) ASSETS					
1 Non current assets					
(a) Property, Plant and Equipment	5	33,846.31		30,147.25	
(b) Capital works in progress	6	2,039.93		2,519.96	
(c) Right of use assets	9	615.17		714.12	
(d) Goodwill		166.00		-	
(e) Intangible assets	7	796.27		1,179.11	
(f) Intangible assets under development	8	-		2,488.94	
(g) Equity accounted investments	10	10,818.96	48,282.64	870.73	37,920.11
(h) Financial assets					
(i) Investments	11	0.33		0.10	
(ii) Other financial assets	13	7,048.92		4,276.91	
(i) Other non current assets	14	270.38	7,319.63	67.05	4,344.06
2 Current assets					
(a) Inventories	15	43,271.88		33,624.78	
(b) Financial assets					
(i) Investments	11	2.58		2.58	
(ii) Trade receivables	16	38,212.56		31,201.34	
(iii) Cash and cash equivalents	17.1	22,346.83		13,201.71	
(iv) Other bank balances	17.2	1,147.98		1,394.64	
(v) Others	17.3	1,590.28		1,046.56	
(c) Current tax assets (Net)	18	-		286.66	
(d) Other current assets	19	3,235.22	1,09,807.33	6,395.86	87,154.13
Total			1,65,409.60	1,29,418.30	
II) EQUITY AND LIABILITIES					
1 Equity					
(a) Equity share capital	20	2,771.95		2,771.95	
(b) Other equity	21	1,19,282.18	1,22,054.13	92,372.76	95,144.71
2 Non-controlling interest					
	22		(68.17)		-
3 Non current liabilities					
(a) Financial liabilities					
(i) Borrowings	23.1	2,295.87		3,930.22	
(ii) Lease liability	23.2	472.12		528.67	
(b) Provisions	24	251.82		224.91	
(c) Deferred tax liabilities (Net)	25	796.05	3,815.86	1,008.46	5,692.26
4 Current liabilities					
(a) Financial liabilities					
(i) Borrowings	26	3,636.49		3,834.81	
(ii) Lease liability	27	341.73		308.39	
(iii) Trade payables					
(a) Total outstanding dues of MESE	28	1,492.61		1,713.12	
(b) Total outstanding dues to creditors other than MESE	28	11,556.58		8,114.15	
(iv) Other financial liabilities	29	6,554.49		6,036.40	
(b) Other current liabilities	30	8,514.69		4,670.15	
(c) Provisions	24	6,747.82		3,904.31	
(d) Current tax liabilities (Net)	31	763.37	39,607.78	-	28,581.33
Total			1,65,409.60	1,29,418.30	

The accompanying Notes 1 to 48 form an integral part of this consolidated financial statements

As per our report of even date annexed

For LNR Associates
Chartered Accountants
FRN No. 05381S

Raghuram Vedula
Partner
M.No : 242883
UDIN : 24242883BKGWFA9603
Place : Hyderabad
Date : May 27, 2024

On behalf of the board

Dr A J Prasad
Chairman & Managing Director
DIN : 00057275

E Sairam
Chief Financial Officer

Kavita Prasad Aluru
Director
DIN : 00319292

GBS Naidu
Company Secretary

Place : Hyderabad
Date : May 27, 2024



Consolidated Statement of Profit & Loss for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2024	Year ended March 31, 2023
Revenue			
I Revenue from operations	32	2,23,335.56	1,36,867.84
II Other income	33	1,790.74	1,768.38
III Total Income (I + II)		2,25,126.30	1,38,636.22
IV Expenses			
Cost of material consumed	34	1,20,834.05	83,099.32
Purchases of stock in trade		18.25	107.71
Changes in inventories of finished goods, stock -in - trade and work - in - progress	35	(5,879.20)	63.66
Employee benefits expense	36	15,761.92	11,038.00
Finance costs	37	1,293.65	654.64
Depreciation and amortization expense	38	4,125.67	3,546.21
Works contract expenses	39	14,254.94	1,126.95
Manufacturing expenses	40	19,233.82	13,758.02
Administrative expenses	41	7,836.93	5,551.73
Selling expenses	41	8,928.67	6,978.76
Total Expenses (IV)		1,86,408.70	1,25,925.00
V Profit before exceptional items and tax (III - IV)		38,717.60	12,711.22
VI Exceptional items - income/(expense)	42	(2,808.25)	133.26
VII Profit after exceptional items (V - VI)		35,909.35	12,844.48
VIII Share in profit / (loss) of associates	10A	1,769.12	135.37
IX Profit before tax (VII - VIII)		37,678.47	12,979.85
X Tax expense	43		
(1) Current tax		9,823.54	3,148.09
(2) Deferred tax (asset)/liability		(118.71)	(11.37)
(3) Income tax relating to previous years		(61.10)	(1.41)
		9,643.73	3,135.31
XI Profit after tax before Non-controlling Interest (IX - X)		28,034.74	9,844.54
XII Non-controlling interest-C/Y share of Profit/(Loss)		(53.89)	(20.74)
XIII Profit after Non-controlling Interest (XI - XII)		28,088.63	9,865.28
XIV Other comprehensive income (Net)			
Items that will not be reclassified to profit or loss -			
a) Remeasurement of defined benefit plans		(228.34)	(98.28)
b) Tax effect		57.48	24.74
c) Total - (c = a + b)		(170.86)	(73.54)
Items that may be reclassified to profit or loss -			
d) Exchange differences in translating the financial statements of foreign operations		(8.68)	(100.49)
e) Tax effect		2.18	25.29
f) Total - (f = d + e)		(6.50)	(75.20)
g) Total other comprehensive income (Net) - (g= c+f)		(177.36)	(148.74)
XV Total comprehensive income for the period (XI + XII)		27,911.27	9,716.54
Profit/(Loss) for the year attributable to:			
Shareholders of the Company		28,142.52	9,886.02
Non-controlling interest		(53.89)	(20.74)
		28,088.63	9,865.28
Other comprehensive income for the year attributable to:			
Shareholders of the Company		(177.36)	(148.74)
Non-controlling interest		-	-
		(177.36)	(148.74)
Total comprehensive income for the year attributable to:			
Shareholders of the Company		27,965.16	9,737.28
Non-controlling interest		(53.89)	(20.74)
		27,911.27	9,716.54
XVI Earnings per equity share (Face value ₹1/- per share)	44		
(1) Basic ₹		10.07	3.51
(2) Diluted ₹		10.07	3.51

The accompanying Notes 1 to 48 form an integral part of this consolidated financial statements
As per our report of even date annexed

For LNR Associates
Chartered Accountants
FRN No. 053815

On behalf of the board

Raghuram Vedula
Partner
M.No : 242883
UDIN : 24242883BKGWFA9603
Place : Hyderabad
Date : May 27, 2024

Dr A J Prasad
Chairman & Managing Director
DIN : 00057275

E Sairam
Chief Financial Officer

Kavita Prasad Aluru
Director
DIN : 00319292

GBS Naidu
Company Secretary

Place : Hyderabad
Date : May 27, 2024



Consolidated Cash Flow Statement for the year ended March 31, 2024

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
A Cash flow from operating activities		
Profit before tax and after Non-controlling Interest / associates profit	40,540.62	12,867.33
Exceptional items - income / (expenditure) *	(2,808.25)	133.26
Other comprehensive income (net)	(237.03)	(198.77)
Total comprehensive income before tax	37,495.34	12,801.82
Adjustments for:		
Depreciation	3,198.72	2,716.93
Amortisation of intangible assets	604.85	571.05
Right of use assts	322.10	258.23
Diminution in value of investments	-	0.51
Profit on sale of assets	10.48	(457.20)
Advances & deposits written off	174.24	4.53
Interest income	(621.73)	(551.46)
Interest expense	800.09	403.26
Bad debts written off (Credit impairment)	-	54.43
Provision for doubtful debts (Lifetime expected credit loss)	955.43	127.63
Other provisions	2,870.42	1,336.90
	8,314.60	4,464.81
Operating profit before working capital changes	45,809.94	17,266.63
(Increase)/decrease in sundry debtors	(7,966.65)	(2,117.39)
(Increase)/decrease in inventories	(9,647.10)	(2,921.44)
(Increase) / decrease in loans & advances **	(82.29)	(357.80)
Increase/(decrease) in trade paybles	3,221.92	1,068.39
Increase/(decrease) in current liabilities	4,686.49	2,978.19
	(9,787.63)	(1,350.05)
Cash generated from operations	36,022.31	15,916.58
Income tax paid net of refunds	(8,773.51)	(3,673.79)
Income tax adjustment relating to previous years	61.10	1.41
Net cash flow from operating activities (A)	27,309.90	12,244.20
B Cash flow from investing activities		
Purchase of fixed assets	(5,319.21)	(6,388.34)
Sale proceeds of fixed assets	761.74	966.34
Investment of associates/JV	(9,947.96)	(100.00)
Net outflow on account of Non-controlling Interest	(53.89)	(0.74)
Interest received	621.73	551.46
Net cash flow from investing activities (B)	(13,937.59)	(4,971.28)



Consolidated Cash Flow Statement (contd.) for the year ended March 31, 2024

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
C Cash flow from financing activities		
Repayment of long-term borrowings	915.39	(1,775.05)
Payment of lease liability	347.05	281.83
(Increase)/decrease in working capital borrowings	917.28	(974.40)
Dividend payment	1,247.38	1,108.78
Interest paid	800.09	403.26
Net cash flow used in financing activities (C)	4,227.19	(955.57)
D Net increase in cash and cash equivalents (A+B-C)	9,145.12	8,228.49
Cash and cash equiv.at beginning of the period	13,201.71	4,973.22
Cash and cash equiv. at end of the period	22,346.83	13,201.71
Cash and cash equivalents		
Cash on hand	10.41	4.61
Balances with banks in current account	22,336.42	13,197.10
Total	22,346.83	13,201.71

Notes to the cash flow statement for the period ended 31-03-2024

- 1 This statement is prepared as per Ind AS - 7 (indirect method).
- 2 * Details of the exceptional items are given in note 42.
- 3 ** Including bank balances other than cash and cash equivalents
- 4 Previous year's figures were re-grouped wherever necessary.

As per our report of even date annexed
For LNR Associates
Chartered Accountants
FRN No. 053815

On behalf of the board

Raghuram Vedula
Partner
M.No : 242883
UDIN : 24242883BKGF9603
Place : Hyderabad
Date : May 27, 2024

Dr A J Prasad
Chairman & Managing Director
DIN : 00057275

E Sairam
Chief Financial Officer

GBS Naidu
Company Secretary

Kavita Prasad Aluru
Director
DIN : 00319292

Place : Hyderabad
Date : May 27, 2024



Consolidated Statement of Changes in Equity for the year ended March 31, 2024

a) Equity and share capital

(₹ in Lakhs)

Particulars of parent company	Current reporting period March 31, 2024	Previous reporting period March 31, 2023
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

(₹ in Lakhs)

Particulars	Capital reserve	Securities premium account	Share Application Money	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, 2023	1.02	23,010.66	-	2.70	55.77	32,272.35	37,437.61	(407.35)	92,372.76
Profit for the year							28,088.63		28,088.63
Other comprehensive Income for the year, net of income tax							(170.86)	(6.50)	(177.36)
Dividend							(1,247.38)		(1,247.38)
Adjustment to retained earnings on account of consolidation							196.24		196.24
Adjustment to retained earnings on account of minority interest							49.29		49.29
Balance at the end of the reporting period March 31, 2024	1.02	23,010.66	-	2.70	55.77	32,272.35	64,353.53	(413.85)	1,19,282.18
Balance at the beginning of the current reporting period April 1, 2022	1.02	23,010.66	-	2.70	55.77	32,272.35	28,794.01	(332.15)	83,804.36
Profit for the year							9,865.28		9,865.28
Other comprehensive Income for the year, net of income tax							(73.54)	(75.20)	(148.74)
Dividend							(1,108.78)		(1,108.78)
Adjustment to retained earnings on account of consolidation							(39.36)		(39.36)
Balance at the end of the reporting period March 31, 2023	1.02	23,010.66	-	2.70	55.77	32,272.35	37,437.61	(407.35)	92,372.76

As per our report of even date annexed
For LNR Associates
Chartered Accountants
FRN No. 053815

Raghuram Vedula
Partner
M.No : 242883
UDIN : 24242883BKGWFA9603
Place : Hyderabad
Date : May 27, 2024

On behalf of the board

Dr A J Prasad
Chairman & Managing Director
DIN : 00057275

E Sairam
Chief Financial Officer

GBS Naidu
Company Secretary

Kavita Prasad Aluru
Director
DIN : 00319292

Place : Hyderabad
Date : May 27, 2024



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

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) and associate company for the year ended March 31, 2024.

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 consolidated financial statements were reviewed by the Audit Committee in its meeting held on 27th May 2024 and approved by the parent Company's Board of Directors at the meeting held on 27th May 2024.

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 Statement of compliance

The CFS as at and for the year ended March 31, 2024 have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

3 Basis of preparation and measurement

3.1 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

3.2 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.

3.3 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 has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

3.4 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, 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



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

- 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 No.45.10
- 3.5 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.
- 3.5 a 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) The group exercises judgement for identification of performance obligations, determination of transaction price, allocation of transaction price to each distinct performance obligation and determining whether the performance obligation is satisfied at a point in time or over a period of time. These judgements have been explained in detail under the note on revenue.(refer note no. 32)
- 3.5 b Useful life of Property Plant and Equipment**
- The group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods (refer note no. 5)
- 3.5 c Employee benefits**
- The accounting of employee benefits in the nature of defined benefit requires the group to use assumptions. These assumptions have been explained under employee benefit note (refer note no. 36)
- 3.5 d Leases**
- The group evaluates if an arrangement qualifies be a lease as per requirements of Ind As 116. Identification of lease requires significant judgement. The group uses significant judgement in assessing the lease term (including anticipated renewals) and applicable discount rate. (refer note no. 9)



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

3.5 e Impairment of investments/Intangible Assets

The group reviews its carrying value of investments and Intangible Assets carried at cost (net of impairment, if any) annually or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount the impairment loss is accounted in the statement of profit and loss account.

3.5 f Provision for Income tax and deferred taxes

The group uses judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining provision for income tax. A deferred tax asset is recognised to the extent that it is probable that its future taxable profits will be available against which the deductible temporary differences and tax losses can be utilised accordingly the group exercises its judgement to re assess carrying amount of deferred tax asset at the end of each reporting period.

3.5 g Provision and contingencies

The group estimates the provisions that have present obligation as a result of past events and it is probable that out flow of resources will be required to settle the obligations. These provisions are reviewed at the end

of each reporting period and or adjusted to reflect the current best estimates.

The group uses significant judgements to assess contingent liabilities . Contingent liabilities are disclosed when there is possible obligation arising from past events, the existence of which will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an out flow of resources will be required to settle the obligation or reliable estimate of the amount cannot be made. Contingent assets are disclosed in the standalone financial statements but not recognised.

4 Recent accounting pronouncements :

On 31st March 2023, The Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) Amendment Rules 2023, notifying the requirement of disclosure of material accounting policy information in the financial statements. The said change is effective and applicable for these financial statements. Presentation of Material Accounting policies information, disclosures required under the applicable standards and explanatory information are given under the respective Notes to Accounts.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Note : 5

Property, Plant and Equipment as on March 31, 2024

Accounting policy :

Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment loss if any. 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 present value of expected costs for dismantling/restoration where ever applicable.

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. 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.

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. Depreciation methods, useful lives and residual values are reviewed at each reporting date and accounted for as change in accounting estimate.

Property plant and equipment with finite life are evaluated for recoverability when ever there is an indication that their carrying amounts may not be recoverable. If such indication exists, the recoverable amount (higher of fair value less cost to sell and value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss account.

Description	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As on April 1, 2023	Additions	Adjustments/deletions	As on March 31, 2024	As on April 1, 2023	For the period	As on March 31, 2024	As on March 31, 2023
Land - freehold	3,420.26	105.11	18.13	3,507.24	-	-	-	3,507.24
Buildings - factory	15,941.35	1,141.46	29.07	17,053.74	6,898.31	500.25	7,380.20	9,673.54
Buildings - others	849.44	95.17	-	944.61	114.44	16.47	130.91	813.70
Plant and equipment	40,970.16	4,287.59	1,196.39	44,061.36	25,943.05	2,061.72	27,331.62	16,729.74
Furniture & fixtures	904.19	273.69	203.20	974.68	370.93	76.54	413.85	560.83
Vehicles	1,193.87	611.42	120.20	1,685.09	628.39	143.18	666.04	1,019.05
Office equipment	2,374.22	1,151.24	97.60	3,427.86	1,555.60	400.56	1,890.14	1,537.72
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	-
Net Total	65,741.86	7,665.68	1,664.59	71,742.95	35,594.59	3,198.72	37,896.64	30,147.25
Carrying value as at March 31, 2022	64,111.46	2,833.49	6,854.81	60,090.14	37,202.36	2,692.39	4,139.36	24,334.75

(₹ in Lakhs)



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

5.1 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.

Note : 6 Capital work in progress

Accounting policy :

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

- 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 .
- 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'.

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Machinery under Erection	333.06	1,612.98
Civil works in progress	1,706.87	906.98
Total	2,039.93	2,519.96

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 31.03.2024					
Project in progress	1,301.68	706.20	32.05	-	2,039.93
Projects temporarily suspended	-	-	-	-	-
Total	1,301.68	706.20	32.05	-	2,039.93
As on 31.03.2023					
Project in progress	1,956.03	548.96	14.97	-	2,519.96
Projects temporarily suspended	-	-	-	-	-
Total	1,956.03	548.96	14.97	-	2,519.96

Note : 7 Intangible assets as on March 31, 2024

Accounting policy :

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.

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.

Intangible assets are amortized on straight line method over their technically estimated useful lives.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

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. (₹ in Lakhs)

Description	Gross carrying amount			Accumulated amortization			Net carrying amount			
	As on April 1, 2023	Additions	Adjustments/deletions	As on March 31, 2024	As on April 1, 2023	For the period	Adjustments/deletions	As on March 31, 2024	As on March 31, 2024	As on March 31, 2023
New product development expenditure(internally generated)	5,577.69	37.04	-	5,614.73	4,923.62	437.04	-	5,360.66	254.07	654.06
Power facility	96.16	-	-	96.16	96.16	-	-	96.16	-	-
Technical knowhow fee	1,663.05	186.54	-	1,849.59	1,148.40	165.97	-	1,314.37	535.22	514.65
Software development	997.29	1.52	5.79	993.02	992.85	1.84	2.70	991.99	1.03	4.44
Trade marks and other business intangibles	5.95	-	-	5.95	-	-	-	-	5.95	5.95
Total	8,340.14	225.10	5.79	8,559.45	7,161.03	604.85	2.70	7,763.18	796.27	1,179.11
Carrying value as at March 31, 2023	7,706.54	651.33	17.73	8,340.14	6,606.18	571.06	16.21	7,161.03	1,179.11	

Note : 8 Intangible assets under development

Description	As on March 31, 2024	As on March 31, 2023
1) New product development expenditure (Internally generated)		
a) Battery products	-	186.54
b) Electronic products	-	2,302.40
2) Technical knowhow fee paid	-	-
Total	-	2,488.94

Assets meeting the recognition criteria to the tune of ₹223.57 lacs were capitalized during the year out of the total value of ₹2,488.93 lakhs under new product development expenditure and the balance of ₹2,265.36 lakhs was charged off since the respective product development projects were discarded in view of their non viability.

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 31.03.2024					
Project in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-
As on 31.03.2023					
Project in progress	-	876.75	483.83	1,128.36	2,488.94
Projects temporarily suspended	-	-	-	-	-
Total	-	876.75	483.83	1,128.36	2,488.94

Note : 9 Leases

Accounting policy :

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



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

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.

Disclosure as per IND-AS 116

- (i) 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). 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. 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 group is as follows: (₹ in Lakhs)

Description	Leasehold land	Buildings	Total
Gross carrying amount			
As on April 01, 2023	440.81	1,165.37	1,606.18
Additions/adjustments	(98.65)	(221.91)	(320.56)
As on March 31, 2024	342.16	943.46	1,285.62
Accumulated amortization			
As on April 01, 2023	172.60	719.46	892.06
For the period	31.80	246.89	278.69
Additions/adjustments	(98.65)	(401.65)	(500.30)
As on March 31, 2024	105.75	564.70	670.45
Net carrying amount			
As on March 31, 2024	236.41	378.76	615.17
As on March 31, 2023	589.03	125.09	714.12

* Ageing Analysis of lease liability is disclosed vide note 12.1 on financial instruments.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(iii) Lease liabilities: (₹ in Lakhs)

	March 31, 2024	March 31, 2023
Opening balance	837.06	1,245.10
Additions/adjustments	198.60	(230.89)
Interest for the year	93.99	104.68
Cash outflow for leases	315.80	281.83
Closing balance *	813.85	837.06
Current lease liability	308.39	308.39
Non-current lease liability	505.46	528.67

- (iv) The group incurred ₹329.72 lakhs for the year ended March 31, 2024 (Previous year ₹ 45.28 lakhs) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹722.51 lakhs for the year ended March 31, 2024 (previous year ₹548.48), 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.

Note : 10 Equity accounted investments:

Naval Systems and Technologies Private Limited (Associate Company)

The group has a 41% interest in the entity which is involved 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, 2024	March 31, 2023
Current assets	3,475.28	2,080.24
Non current assets	473.61	741.26
Current liabilities	(1,287.74)	(696.30)
Non current liabilities	(1.44)	(1.48)
Equity	2,659.71	2,123.72
Proportion of the group's ownership	41%	41%
Carrying amount of the investment	1,090.48	870.73

Tonbo Imaging India Private Limited (Tonbo) (Associate Company)

During the financial year 2023-24, Company made an investment of ₹86.67 crs by way of 1,12,156 Compulsorily convertible preference shares (CCPS) in Tonbo, which is engaged in manufacturing of thermal imaging products and sale thereof to the Indian customers. These instruments carry a cumulative dividend coupon rate of 0.01% and are convertible into Equity shares at the discretion of the Company. The current shareholding of the Company in Tonbo as on 31st March 2024 works to 15.83% below the threshold specified for Associate Company.

Due to representation on Tonbo's Board and rights available under reserved matters specified in SSHA, significant influence exists and therefore classified "Tonbo" as an Associate Company and accounted the investments " under equity method".

Summarised financial information of the associate company along with reconciliation is set out below.

Particulars	March 31, 2024	March 31, 2023
Cost of investment	8,667.41	-
Group's share of Profit/(Loss) *	1,061.07	-
Carrying amount of the investment	9,728.48	-

* There is a difference in accounting policy relating to inventory valuation followed by the Company and Tonbo. As of this reporting period, the financial impact of this difference in the accounting policies could not be ascertained and consequently, no adjustments have been made.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Financial Information of Associate

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Current assets	36,312.20	-
Non current assets	21,156.06	-
Current liabilities	(28,682.39)	-
Non current liabilities	(5,772.70)	-
Equity	23,013.17	-
Proportion of the group's ownership	15.83%	-
Group share of net asset	3,642.98	-

	March 31, 2024	March 31, 2023
Naval Systems and Technologies Private Limited	1,090.48	870.73
Tonbo Imaging India Private Limited	9,728.48	-
Total	10,818.96	870.73

Note : 10A Share in Profit / (loss) of associates

Summarised statement of profit and loss of Naval Systems and Technologies Private Limited

Particulars	March 31, 2024	March 31, 2023
Total Income	2,910.62	1,686.18
Cost of raw material and components consumed	(1,229.93)	(857.77)
Depreciation & amortisation	(6.82)	(4.43)
Finance cost	(20.07)	(19.34)
Employee benefits	(375.55)	(268.51)
Other expenses	(559.29)	(205.96)
Profit before tax	718.96	330.17
Proportion of the group's ownership	41%	41%
Group's share of profit / (loss) for the year	294.77	135.37

Summarised statement of profit and loss of Tonbo Imaging India Private Limited

Particulars	March 31, 2024	March 31, 2023
Total Income	43,189.64	-
Cost of raw material and components consumed	(21,992.94)	-
Depreciation & amortisation	(1,339.54)	-
Finance cost	(703.63)	-
Employee benefits	(1,305.51)	-
Other expenses	(8,392.95)	-
Profit before tax	9,455.07	-
OCI	13.69	-
Profit before tax (after OCI)	9,441.38	-
Proportion of the group's ownership	15.83%	-
Group's share of profit / (loss) for the year before Dividend	1,494.57	-
Adjustment for Preference Dividend of other share holders	22.39	-
Group's share of profit / (loss) for the year after Dividend	1,472.18	-



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Share in Profit / (loss) of associates		(₹ in Lakhs)	
	March 31, 2024	March 31, 2023	
Naval Systems and Technologies Private Limited	294.77	135.37	
Tonbo Imaging India Private Limited	1,472.18	-	
Total	1,766.95	135.37	

Note : 11 Investments

Accounting policy :

- 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.
- iii) 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) The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.
 - III) The group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate 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 since the acquisition date.
 - IV) The statement of profit and loss reflects the group's share of the results of operations of the associate. 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 the group recognises its share of any changes, when applicable, in the statement of changes in equity.
 - V) The aggregate of the group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.
 - VI) Details of associate company considered in the preparation of the consolidated financial statements are given in Note 47

				March 31, 2024	March 31, 2023	
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						
99,99,500	99,99,500	₹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	
				-	-	
5,100	5,100	₹10	HBL Tonbo Private Limited		0.51	0.51
Less: Provision for impairment (refer note no. 45)				0.51	0.51	
				-	-	
b) Other companies : In Preference Instruments:						
100	-	-	Tonbo Imaging Pte Ltd, Singapore		0.23	-
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				0.33	0.10	



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Current investments- quoted :

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

(Received in pursuance of Business Combination)

(₹ in Lakhs)

			March 31, 2024	March 31, 2023
Number	Face value	Name of the entity		
Current year	Previous year			
690	690	₹1 JSW Steel Limited	2.58	2.58
TOTAL			2.58	2.58
Less: Aggrgate provision for diminution in value of investments			-	-
Carrying value of current investments			2.58	2.58

	Non - current	Current	Non - current	Current
11.1 Aggregate amount of quoted investments	0.10	2.58	0.10	2.58
Aggregate market value of quoted investments	Not available	5.74	Not available	4.75
Aggregate amount of unquoted investments	0.23	-	-	-
Aggregate amount of impairment / diminution in value of investments	1,248.88	-	2,672.88	-

Note : 12 Financial instruments (financial assets and financial liabilities):

Accounting policy :

- 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 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.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(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.

- b) Trade receivables

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 company 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.

Disclosure in accordance with Ind-AS-107 - 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, 2024 were as follows: (₹ in Lakhs)

Particulars	March 31, 2024			March 31, 2023		
	Amortised cost	Total carrying value	Total fair value	Amortised cost	Total carrying value	Total fair value
Assets :						
Cash cash equivalents	22,346.83	22,346.83	22,346.83	13,201.71	13,201.71	13,201.71
Other bank balances	1,147.98	1,147.98	1,147.98	1,394.64	1,394.64	1,394.64
Investments in others	2.91	2.91	8.65	2.68	2.68	7.43
Trade receivables	38,212.56	38,212.56	38,212.56	31,201.34	31,201.34	31,201.34
Other financial assets	8,639.20	8,639.20	8,639.20	5,323.47	5,323.47	5,323.47
Total	70,349.48	70,349.48	70,355.22	51,123.84	51,123.84	51,128.59
Liabilities :						
Trade payables	13,049.19	13,049.19	13,049.19	9,827.27	9,827.27	9,827.27
Borrowings	5,932.36	5,932.36	5,932.36	7,765.03	7,765.03	7,765.03
Lease liability	813.85	813.85	813.85	837.06	837.06	837.06
Other financial liabilities	6,554.49	6,554.49	6,554.49	6,036.40	6,036.40	6,036.40
Total	26,349.89	26,349.89	26,349.89	24,465.76	24,465.76	24,465.76



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

C) 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 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.

The following table analyzes foreign currency risk from financial instruments as of March 31, 2024 : (₹ in Lakhs)

Particulars	U.S.dollars	Euro	GBP	Total
Trade receivables	49.29	31.38	0.52	81.19
Other financial assets	-	-	-	-
Trade payables	(11.21)	(2.12)	(0.41)	(13.74)
Other financial liabilities	(2.82)	(1.08)	-	(3.90)
Net assets/(liabilities)	35.26	28.18	0.11	63.55

The following table analyzes foreign currency risk from financial instruments as of March 31, 2023 :

Particulars	U.S.dollars	Euro	GBP	Total
Trade receivables	44.16	16.89	2.30	63.35
Other financial assets	-	-	-	-
Trade payables	(14.42)	(0.03)	(0.19)	(14.64)
Other financial liabilities	(2.75)	(0.36)	-	(3.11)
Net assets/(liabilities)	26.99	16.50	2.11	45.60

For the year ended March 31, 2024 and March 31, 2023, 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 ₹632.13 lakhs and ₹886.05 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 ₹38,212.56 lakhs and ₹31,201.34 lakhs as of March 31, 2024 and March 31, 2023, 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.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

The following table gives details in respect of percentage of revenues generated from top customer and top five customers :
(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Revenue from top customer	7.30%	6.29%
Revenue from top five customers	28.53%	21.45%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2024 was ₹1,065.00 Lakhs. The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2023 was ₹263.99 Lakhs.

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning	263.99	589.47
Lifetime expected credit loss	955.43	127.63
Credit impairment	(154.42)	(453.11)
Balance at the end	1,065.00	263.99

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, 2024, the group had a working capital of ₹70,199.55 lakhs including cash and cash equivalents of ₹22,346.83 lakhs. As of March 31, 2023, the group had a working capital of ₹58,635.43 lakhs including cash and cash equivalents of ₹13,201.71 lakhs.

As of March 31, 2024 and March 31, 2023, the outstanding gratuity and compensated absences were ₹296.11 lakhs and ₹539.01 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.

12.1 The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2024 :

Particulars	< 1 year	1-2 years	> 2 years	Total
As on March 31, 2024				
Trade payables	13,049.19	-	-	13,049.19
Long term borrowings	1,669.56	1,569.29	726.58	3,965.43
Short term borrowings	1,966.93	-	-	1,966.93
Lease Liability	312.83	379.07	121.94	813.85
Other financial liabilities (excluding borrowings from banks and financial institutions)	6,554.49	-	-	6,554.49



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in Lakhs)

Particulars	< 1 year	1-2 years	> 2 years	Total
As on March 31, 2023				
Trade payables	9,827.27	-	-	9,827.27
Long term borrowings	950.60	983.14	2,947.08	4,880.82
Short term borrowings	2,884.21	-	-	2,884.21
Lease Liability	229.95	312.83	294.28	837.06
Other financial liabilities (excluding borrowings from banks and financial institutions)	6,036.40	-	-	6,036.40

Note : 13 Other financial assets

Accounting policy :

Cash and Cash equivalents

The group considers all high liquid investment which are readily convertible into amount of cash that are subject to insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consists of balances with banks which are un restricted for withdrawal and usage.

	March 31, 2024	March 31, 2023
Non-current		
Bank deposits (maturity beyond 12 months)		
Fixed deposits	1,008.34	1,188.54
Margin money deposits	2,210.40	1,889.65
Security deposits with government and others	3,814.33	1,197.17
Advances to employees	15.85	1.55
TOTAL	7,048.92	4,276.91

	March 31, 2024	March 31, 2023
Other non- current assets :		
Capital advances	270.38	67.05
TOTAL	270.38	67.05

Note : 15 Accounting policy :

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

Note : In respect of our associate company M/s Tonbo Imaging India Private Limited, the raw materials are valued on FIFO cost methods and finished goods is determined on full absorption cost basis. Considering the impracticability in assessment of the financial impact of this difference, on account of volume of movement in inventory quantities during the reporting period, no adjustments have been made.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Raw materials	22,525.77	18,914.60
Stores, spares, process chemicals, fuels & packing material	949.82	870.23
Stock -in-trade (in respect of goods acquired for trading)	3.17	18.32
Bonded stocks/In transit	208.05	206.83
Consumable tools	201.42	125.50
Work-in-progress	10,906.38	7,553.36
Finished goods	8,477.27	5,935.94
TOTAL	43,271.88	33,624.78

Disclosure as per Ind AS - 2 - inventories

During the year ended March 31, 2024, ₹0.16 lakhs (March 31, 2023, ₹52.76 lakhs) was recognised as an expense in respect of inventories carried at net realisable value and an amount of ₹263.83 lakhs representing writedown of inventory on account of abandonment of projects under New Product Under Development, in the statement of profit and loss.

Note : 16 Trade receivables

	March 31, 2024	March 31, 2023
Unsecured, considered good	38,212.56	31,201.34
Unsecured and having significant credit risk	1,065.00	263.99
	39,277.56	31,465.33
Allowance for credit risk	(1,065.00)	(263.99)
TOTAL	38,212.56	31,201.34

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 31.03.2024						
Undisputed - considered good	33,126.99	807.95	672.62	625.58	-	35,233.14
Undisputed-significant increase in credit risk	132.45	214.78	44.89	226.16	330.36	948.64
Undisputed - Credit impaired	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed-significant increase in credit risk	-	-	-	-	116.36	116.36
Disputed - credit impaired	-	-	-	-	-	-
Unbilled revenue	2,979.42	-	-	-	-	2,979.42
	36,238.86	1,022.73	717.51	851.74	446.72	39,277.56
As on 31.03.2023						
Undisputed - considered good	27,408.18	1,325.77	909.24	315.08	119.90	30,078.17
Undisputed-significant increase in credit risk	33.42	12.52	8.01	0.79	72.89	127.63
Undisputed - credit impaired	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed-significant increase in credit risk	-	-	43.87	-	92.49	136.36
Disputed - credit impaired	-	-	-	-	-	-
Unbilled revenue	1,123.17	-	-	-	-	1,123.17
	28,564.77	1,338.29	961.12	315.87	285.28	31,465.33



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Note : 17

17.1 Cash and cash equivalents

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Balances with banks in current accounts	740.43	822.05
Balances with banks in cash credit accounts	3,693.22	5,741.27
Cash on hand	10.41	4.61
Fixed deposits (maturity of less than three months)	17,902.77	6,633.78
TOTAL	22,346.83	13,201.71

17.2 Other bank balances

	March 31, 2024	March 31, 2023
Balances with banks in other current accounts	9.97	15.26
Fixed deposits	533.03	103.97
Margin money deposits	545.10	1,220.57
Dividend account	59.88	54.84
TOTAL	1,147.98	1,394.64

17.3 Financial assets - others (current)

	March 31, 2024	March 31, 2023
Security deposits with government and others	71.89	156.14
Advances to employees	81.43	59.03
Claims & other receivables	867.95	442.80
Interest accrued but not due on deposits	569.01	388.59
TOTAL	1,590.28	1,046.56

17.4 Claims and other receivables include :

	March 31, 2024	March 31, 2023
a) Insurance claim on account of heavy rainfall (refer note : 14.5)	95.16	95.16
b) Payments under protest for pending indirect tax litigations	400.73	276.79
c) Other receivables	372.06	70.85
TOTAL	867.95	442.80

17.5 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 against which the company filed a suit. The matter is still sub-judice.

Note: 18 Current tax assets (net)

	March 31, 2024	March 31, 2023
Advance payment of income tax (including TDS)	-	6,400.86
Less : Provision for income tax	-	6,114.20
TOTAL	-	286.66



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Note: 19 Other current assets

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
A) Advances other than capital advances:		
Advances to employees	72.05	53.57
Advances to vendors for supply of goods / services	1,741.44	5,246.44
B) Others:		
Prepaid expenses	455.60	389.17
Export incentives receivable	32.03	29.63
GST/service tax input/vat receivables	729.78	435.34
Other advances	204.32	241.71
TOTAL	3,235.22	6,395.86

Note : 20 Equity share capital

	March 31, 2024	March 31, 2023
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

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

Equity shares	March 31, 2024		March 31, 2023	
	No. of Shares	Value ₹	No. of Shares	Value ₹
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

20.2 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.

20.3 Details of shareholders holding more than 5% shares in the parent Company

Name of the shareholder	March 31, 2024		March 31, 2023	
	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				
Aluru Family Pvt Trust - Trustee Kavita Prasad Aluru	14,22,05,858	51.30	14,21,22,643	51.27



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

20.4 Shares held by promoters at the end of the year

(₹ in Lakhs)

Sl. No	Name of the promoter	March 31, 2024		March 31, 2023		% 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	26,92,827	0.97	-
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	97,88,386	3.53	-
5	M Advay Bhagirath	39,17,600	1.41	39,17,600	1.41	-
6	M Deeksha	20,87,187	0.75	20,87,187	0.75	-
7	Aluru Family Pvt Trust - Trustee Kavita Prasad Aluru	14,22,05,858	51.30	14,21,22,643	51.27	0.03
8	Mikkilineni Family Pvt Trust - Trustee Kavita Prasad Aluru	2,53,134	0.09	2,53,134	0.09	-
	Total	16,38,52,309	59.11	16,37,69,094	59.08	0.03

Note : 21

a) Other equity - (refer statement of changes in equity)

	March 31, 2024	March 31, 2023
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
Share Application money	-	-
Retained earnings (balance of surplus in the statement of changes in equity)	64,353.53	37,437.61
Foreign currency translation reserve	(413.85)	(407.35)
TOTAL	1,19,282.18	92,372.76

Note : 22 Non-controlling interest

	March 31, 2024	March 31, 2023
In share capital and other equity	(24.28)	40.00
In share application money pending allotment	10.00	-
Share of profit/(loss) during the year	(53.89)	(40.00)
	(68.17)	-

Note : 23 Non- current - financial liabilities

23.1 Borrowings

	March 31, 2024	March 31, 2023
Term loans from banks (secured)		
ICICI Bank Ltd	702.81	3,424.75
Axis Bank Ltd	1,500.00	439.88
HDFC bank Ltd. - against vehicles	93.06	65.59
TOTAL	2,295.87	3,930.22



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

23.2 Lease liability

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Lease liability	472.12	528.67
TOTAL	472.12	528.67

23.3 Current - financial liabilities

Borrowings (current maturities)

	March 31, 2024	March 31, 2023
Long term debt from banks (secured)		
ICICI Bank Ltd	78.09	818.18
Axis Bank Ltd	1,500.00	77.63
HDFC bank Ltd. - against vehicles	91.47	54.79
Loan from others (Refer note - 20.5 (c))	-	-
TOTAL	1,669.56	950.60

23.4 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.

23.5 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 and Axis :

HBL Power Systems Limited

ICICI Bank sanctioned term loan of ₹4,500.00 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. An amount of ₹22.73 cr pertaining to the subsequent year had been prepaid in March 2024.

AXIS Bank sanctioned term loan of ₹7,500.00 lakhs for refinancing the capital expenditure of the Company. The loan is secured by a first Paripassu charge on present and future assets (movable or immovable) of the company alongwith other term lenders.

TTL Electric Fuel Private Limited (subsidiary)

ICICI Bank sanctioned term loan of ₹1,171.00lakhs for setting up of Electric Vehicle chargin infrastructure. The loan is secured by exclusive charge on present and future assets (movable) of the company. 2) Exclusivne charge on the entire current assets of the company both present and future. 3) Unconditional irrevocable corproate guarantee of HBL Power Systems Limited.

(₹ in Lakhs)

Name of the bank	Loan amount drawn	No of instalments	% of interest	Outstanding as on March 31, 2024
Axis Bank	7,295.00	20 (QTLY) commencing from Sep 23	8.75	3,000.00
ICICI Bank Ltd (TTL EFL)	702.81	20 (QTLY) commencing from Dec 24	8.75	702.81

Axis Bank : An amount of ₹31.70 cr had been prepaid during the year along with the dues outstanding for the previous year.

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.

23.6 As on the balance sheet date, there were no continuing defaults in repayment of borrowings and interest.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Note : 24

24.1 Provisions (non - current)

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Provision for employee benefits		
Provision for earned leave encashment	251.82	224.91
TOTAL	251.82	224.91

24.2 Provisions (current)

	March 31, 2024	March 31, 2023
Provision for employee benefits		
Provision for earned leave encashment	88.18	42.59
Provision for gratuity	1.34	271.51
Other provisions		
Provision for warranties	4,752.67	3,202.61
Provision for commission on profits to director	1,905.63	377.60
Contingency provision	-	10.00
TOTAL	6,747.82	3,904.31

Note : 25 Deferred tax liability (net)

	March 31, 2024	March 31, 2023
Deferred tax liability (as per last balance sheet)	1,008.46	1,030.93
Add: Deferred tax (asset)/liability for the year	(212.41)	(22.47)
TOTAL	796.05	1,008.46

Note : 26 Borrowings

	March 31, 2024	March 31, 2023
A) Loans repayable on demand from banks (secured)		
State Bank of India	-	-
ICICI Bank Ltd	67.76	58.94
Axis Bank Ltd	-	-
TOTAL (A)	67.76	58.94
B) Other loans from banks (unsecured)		
Purchase bill discounting from Kotak Mahindra Bank Ltd	1,057.36	1,883.48
Purchase bill discounting from Axis Bank Ltd	575.48	941.79
Purchase bill discounting from ICICI Bank Ltd	266.33	-
TOTAL (A)	1,899.17	2,825.27
(C) Current maturities of long-term debt(refer note - 20.3)	1,669.56	950.60
TOTAL (A + B + C)	3,636.49	3,834.81

26.1 Working capital loans

HBL Power Systems Limited

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.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

TTL Electric Fuel Private Limited (subsidiary)

ICICI Bank sanctioned overdraft loan of ₹100.00 lakhs for setting up of Electric Vehicle charging infrastructure. The loan is secured by exclusive charge on present and future assets (movable) of the company. 2) Exclusive charge on the entire current assets of the company both present and future. 3) Unconditional irrevocable corporate guarantee of HBL Power Systems Limited.

- 26.2** 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 financing from ICICI Bank Ltd are unsecured and irrevocable mandate provided to bank for debiting to ICICI Bank cash credit account held with the bank on the relevant due dates.

Note : 27 Lease liability

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Lease liability	341.73	308.39
TOTAL	341.73	308.39

Note : 28 Trade payables

	March 31, 2024	March 31, 2023
Total outstanding dues of :		
Micro Enterprises & Small Enterprises (MESE)	1,492.61	1,713.12
Payables other than MESE	11,556.58	8,114.15
TOTAL	13,049.19	9,827.27

28.1 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 31.03.2024					
(i) MSME	1,491.35	-	-	-	1,491.35
(ii) Others	11,293.54	26.98	2.55	26.72	11,349.79
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
(v) Liability for materials	208.05	-	-	-	208.05
Total	12,992.94	26.98	2.55	26.72	13,049.19
As on 31.03.2023					
(i) MSME	1,713.12	-	-	-	1,713.12
(ii) Others	7,780.20	41.26	36.70	49.16	7,907.32
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
(v) Liability for materials	206.83	-	-	-	206.83
Total	9,700.15	41.26	36.70	49.16	9,827.27



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Note : 29 Other financial liabilities - current

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Unpaid/unclaimed dividends (refer note - 29.1)	59.88	54.84
Trade deposits	151.53	161.49
Creditors for capital expenditure	183.56	95.39
Invoice mart payables	2,023.73	2,549.75
Statutory dues	1,774.88	1,537.87
Directors' current account	34.55	176.34
Accrued compensations to employees	2,326.36	1,460.72
Dividend Payable	-	-
TOTAL	6,554.49	6,036.40

29.1 Does not include any amount outstanding which is required to be credited to investor education and protection fund (IEPF).

Note : 30 Other current liabilities

	March 31, 2024	March 31, 2023
Advances against sales	4,882.65	2,441.29
Un earned and deferred revenue	2,440.02	-
Accrued expenses	1,192.02	2,228.86
TOTAL	8,514.69	4,670.15

Note : 31 Current tax liabilities (net)

	March 31, 2024	March 31, 2023
Provision for income tax	12,503.80	-
Advance payment of income tax (including TDS)	11,740.43	-
TOTAL	763.37	-

Note : 32 Revenue recognition

Accounting policy:

- 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.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Revenue from operations	(₹ in Lakhs)	
	March 31, 2024	March 31, 2023
a) Sale of products	1,87,116.85	1,26,317.38
b) Sale of traded goods	21.32	514.25
c) Sale of services	35,007.23	8,932.76
d) Other operating revenue - sale of scrap	1,190.16	1,103.45
	2,23,335.56	1,36,867.84

Note : 33 Other income

Accounting policy :

- Claims against outside agencies are accounted for on certainty of realization.
- 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.
- Export incentives under various schemes are recognized as income on certainty of realization.
- Foreign currency transactions**
 - 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.
 - 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.
 - 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. Foreign currency gains and losses are reported on a net basis.
 - 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).
 - 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.
 - 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 accumulated exchange differences is reclassified to profit or loss.

	March 31, 2024	March 31, 2023
a) Interest income		
Interest received on deposits with banks/others	621.73	551.46
Interest on IT refunds	11.95	10.48
b) Other non-operating income (net of directly attributable expenses)		
Exchange gains	632.13	886.05
Miscellaneous income (including gain / loss on termination / modification of leases)	524.93	320.39
TOTAL	1,790.74	1,768.38



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Disclosure as per Ind AS -21 - The effects of changes in foreign exchange rates (₹ in Lakhs)

	March 31, 2024	March 31, 2023
Exchange differences arising out of settlement / translation on account of:		
a) Exports	258.72	622.24
b) Imports	380.50	284.62
c) Others	(7.09)	(20.81)
Net gain (loss) recognised during the year	632.13	886.05

Note : 34 Cost of material consumed

	March 31, 2024	March 31, 2023
Opening stocks	18,914.60	15,331.09
Purchases, material, components & consumables	1,24,445.22	86,684.83
	1,43,359.82	1,02,015.92
Less : closing stocks	22,525.77	18,914.60
	1,20,834.05	83,101.32
Less : internal capitalisation	-	2.00
Cost of material consumed	1,20,834.05	83,099.32

Note : 35 Changes in inventories of finished goods, stock-in-trade and work-in-progress

	March 31, 2024	March 31, 2023
a) Manufactured goods		
i) Opening stocks		
a) Semi finished goods	7,553.36	7,791.33
b) Finished goods	5,935.94	5,753.70
	TOTAL (A)	13,489.30
ii) Closing stocks		
a) Semi finished goods	10,906.38	7,553.36
b) Finished goods	8,477.27	5,935.94
	TOTAL (B)	19,383.65
(Increase) / Decrease (C = A - B)	(5,894.35)	55.73
b) Traded Goods		
Opening stock of traded goods	18.32	26.25
Closing stock of traded goods	3.17	18.32
(Increase) / decrease (D)	15.15	7.93
(Increase) / decrease in inventory (C + D)	(5,879.20)	63.66

Note : 36 Employee benefits expense:

Accounting policy :

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.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

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 (PUC) 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.

All defined benefit plan obligations are determined based on valuation as at the end of the reporting period, made by independent actuary using the PUC 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.

iv) Disclosure as per Ind AS-19 -Employee benefits

HBL Power Systems Limited

a) Defined contribution plan:

Contribution to defined contribution plan, recognised as expense for the year are as under:

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Employer's contribution to PF/ESI/ pension plan	792.61	661.24

b) Defined benefit plan:

HBL Power Systems Limited

(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 (PUC) 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, 2024	March 31, 2023
Present value of obligation	2,570.23	2,174.39
Fair value of plan assets	2,597.01	1,903.51
Surplus / (deficit)	26.78	(270.87)
Effects of asset ceiling, if any	-	-
Net asset/(liability)	26.78	(270.87)

Expense recognized during the period (including premium paid)

Particulars	March 31, 2024	March 31, 2023
In income statement (p&l a/c--expense provision)	223.76	214.29
In other comprehensive income (b/sheet item)	228.34	98.28



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

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.

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	₹25,00,000
Gratuity formula	(15/26) x last drawn salary x 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

(₹ in Lakhs)

Particulars	For the period ending	
	March 31, 2024	March 31, 2023
Present value of obligation as at the beginning	2,174.39	2,021.43
Current service cost	185.03	151.81
Interest expense or cost	154.11	138.14
Actuarial (gains) / loss on obligations	207.51	99.04
Past service cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits paid	(150.81)	(236.03)
Acquisition adjustment	-	-
Effect of business combinations or disposals	-	-
Present value of obligation as at the end	2,570.23	2,174.39
Bifurcation of net liability		
Current liability (short term)	472.00	339.63
Non-current liability (long term)	2,098.23	1,834.76
Net liability	2,570.23	2,174.39



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Changes in the fair value of plan assets

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Fair value of plan assets as at the beginning	1,903.51	1,788.16
Acquisition adjustment	(14.82)	(18.88)
Expected return on plan assets	160.55	127.21
Contributions	717.25	242.29
Benefits paid	(150.81)	(236.03)
Actuarial gain/(loss) on plan assets	18.67	0.76
Fair value of plan assets as at the end	2,597.01	1,903.51

Other comprehensive income (OCI)

	March 31, 2024	March 31, 2023
Actuarial (gains) / losses - change in demographic assumptions	-	-
Actuarial (gains) / losses - change in financial assumptions	-	(36.33)
Actuarial (gains) / losses - experience variance	-	135.37
Actuarial (gains) / loss on obligations	207.51	99.04
Actuarial (gains) / loss on plan assets	(18.67)	0.76
Total other comprehensive income	226.18	98.28

(c) Long term compensated absences - leave encashment:

The present value of obligation for long term compensated absences is determined on actuarial valuation using PUC method and is charged to statement of profit and loss. The obligation is not funded.

Assets and liability (balance sheet position)

Particulars	March 31, 2024	March 31, 2023
Present value of obligation	335.48	264.66
Fair value of plan assets	-	-
Surplus / (deficit)	(335.48)	(264.66)
Effects of asset ceiling, if any	-	-
Net asset/(liability)	(335.48)	(264.66)

Expense recognized during the period

Particulars	March 31, 2024	March 31, 2023
In income statement (P&L--expense provision)	142.64	26.61
Current service cost	45.09	33.31

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.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

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

(₹ in Lakhs)

Particulars	March 31, 2024	March 31, 2023
Present value of obligation as at the beginning	264.66	240.83
Current service cost	45.09	33.31
Interest expense or cost	16.79	16.14
Actuarial (gain)/ loss on obligations	80.76	(22.84)
Past service cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits paid	(71.82)	(2.79)
Acquisition adjustment	-	-
Effect of business combinations or disposals	-	-
Present value of obligation as at the end	335.48	264.66

Bifurcation of net liability

Particulars	March 31, 2024	March 31, 2023
Current liability (short term)	86.18	42.59
Non-current liability (long term)	247.30	222.07
Net liability	333.48	264.66

Changes in the fair value of plan assets

Particulars	March 31, 2024	March 31, 2023
a) Fair value of plan assets at the start:	-	-
b) Acquisition adjustments	-	-
c) Expected return on plan assets	-	-
d) Contributions	-	2.79
e) Benefits paid	-	(2.79)
f) Actuarial gain /(loss) on plan assets	-	-
g) Fair value of plan assets as at the end	-	-



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Salaries & bonus	11,514.58	8,724.18
Contribution to provident & other funds	784.44	651.35
Gratuity	223.76	214.29
Staff welfare expenses	1,167.50	911.03
Recruitment & training	44.89	16.10
Remuneration to directors:		
Salaries & allowances	108.06	129.46
Contribution to provident fund	8.16	9.89
Commission on profits	1,905.63	377.60
Directors sitting fees	4.90	4.10
TOTAL	15,761.92	11,038.00

Note : 37

Accounting Policy :

Borrowing costs

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

Disclosure as per Ind AS -7

Statement of reconciliation for changes in liabilities arising from financing activities.

	Long-term borrowings	Working capital borrowings
Opening balance	4,880.82	2,884.21
Borrowed during the year	7,548.25	-
Repaid during the year	(8,463.64)	-
Net movement	(915.39)	(917.28)
Closing balance	3,965.43	1,966.93

Finance cost

	March 31, 2024	March 31, 2023
Interest on term loans	670.13	324.55
Interest on bank borrowings	114.32	70.72
Interest on vehicle loans	15.64	7.99
Interest on lease liability	107.91	104.68
Interest - others	18.27	60.48
Bank charges & commission	424.32	324.30
	1,350.59	892.72
Less: transfers to pre-operative expenses	56.94	238.08
TOTAL	1,293.65	654.64



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Note : 38 Depreciation and amortization expense

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Depreciation of tangible assets	3,198.72	2,716.93
Amortisation of intangible assets	604.85	571.05
Amortisation on right of use assets	322.10	258.23
TOTAL	4,125.67	3,546.21

Note : 39 Works contract expenses

	March 31, 2024	March 31, 2023
Works contract expenses	14,254.94	1,126.95
TOTAL	14,254.94	1,126.95

Note : 40 Manufacturing expenses

	March 31, 2024	March 31, 2023
Stores & spares consumed	1,918.73	1,602.12
Equipment lease rentals	104.15	44.14
Consumable tools charged off	165.47	111.68
Contract wages	10,600.99	6,787.58
Testing charges	227.82	310.57
Power and fuel	6,216.66	4,901.93
	19,233.82	13,758.02

Note : 41

	March 31, 2024	March 31, 2023
A) Administrative expenses		
Rent	293.19	223.51
Rates, duties & taxes	488.17	308.11
Insurance	475.34	354.23
Professional & consultancy charges	1,534.92	746.95
Expenditure incurred on corporate social responsibility activities	178.94	167.37
Repairs and maintenance	1,833.87	1,416.46
Travelling and conveyance	1,584.00	1,284.33
Sundry expenses	1,207.97	980.21
Payments to auditors	57.55	62.91
Audit expenses	8.74	3.12
Advances & deposits written off	174.24	4.53
	7,836.93	5,551.73
B) Selling expenses		
Freight & insurance on sales	4,655.37	3,481.74
Commission on sales	396.76	370.12
Liquidated damages	-	539.07
Credit impairment	-	54.43
Lifetime expected credit loss	955.43	127.63
Provision for warranties	1,550.06	1,242.31
Installation charges paid	789.08	589.41
Other selling expenses	581.97	574.05
TOTAL	8,928.67	6,978.76



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Note : 42 Exceptional items of (income)/expenditure

(₹ in Lakhs)

	March 31, 2024	March 31, 2023
Profit on sale of investments	-	-
Loss on fire accident	48.34	-
Impairment / diminution In value of investments	-	0.51
(Profit)/loss on sale of assets	10.48	(457.20)
(Profit)/Loss on sale and exchange of land	(4.31)	-
Assets written off	2,696.17	323.43
Shifting/relocation expenses	-	-
Other liabilities/assets written back	57.57	-
Others	-	-
	2,808.25	(133.26)

Note : 43 Current tax and deferred tax

Accounting policy :

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.

v) 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.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

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: The income tax expense for the year can be reconciled to the accounting profit as follows: (₹ in Lakhs)

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Profit before tax		37,678.47	12,979.85
Current tax @ 25.168%	(A)	9,482.92	3,266.77
Effect of unused tax losses of subsidiaries / associates		69.01	96.35
Others		(229.82)	35.11
Total	(B)	(160.81)	131.46
Income tax expense recognised in statement of profit and loss	(A - B)	9,643.73	3,135.31

- b) The income tax on other comprehensive income

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Income tax benefit arising on income / (expense) recognised in other comprehensive income			
Tax on remeasurement of defined benefit plan		(57.48)	(24.74)
Others		(2.18)	(25.29)
Income tax benefit recognised in other comprehensive income		(59.66)	(50.03)

- c) Details of income tax assets and Income tax liabilities are as follows:

	March 31, 2024	March 31, 2023
Advance tax / MAT credit / TDS	11,740.43	6,400.86
Provision for income tax	(12,503.80)	(6,114.20)
Asset / (liability)	(763.37)	286.66

- d) The gross movement in the current income tax asset / (liability) is as follows:

	March 31, 2024	March 31, 2023
Net current income tax asset / (liability) at the beginning	286.66	52.74
Add : income tax paid / adjusted (Net of refunds received)	(10,515.00)	(2,794.39)
Less : Provision for current tax	9,464.97	3,028.31
Net current income tax asset / (liability) at the end	(763.37)	286.66

- e) The tax effects of significant temporary differences that resulted in deferred income tax asset and liability are as follows:

Particulars	March 31, 2024	March 31, 2023
Deferred tax liability		
Property, Plant and Equipment	1,145.67	1,163.97
Total	1,145.67	1,163.97
Deferred tax asset		
Employee benefits	85.57	67.32
Provision for bad debts	267.07	66.44
Other comprehensive income	(2.18)	(25.29)
Others	(0.84)	47.05
Total	349.62	155.52
Deferred tax liability after set off of deferred tax asset	796.05	1,008.45



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

f) The gross movement in the deferred income tax account is as follows: (₹ in Lakhs)

	March 31, 2024	March 31, 2023
Net deferred tax liability at the beginning	1,008.45	1,030.93
Credit / (charge) relating to temporary differences	(212.40)	(22.47)
Net deferred income tax liability) at the end	796.05	1,008.45

44 Earnings Per Share (EPS)

Accounting policy :

- 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.
- 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.

Disclosure as per Ind AS - 33 earnings per share (EPS) - face value of share : ₹1/- each

Computation of EPS (basic & diluted)

	March 31, 2024	March 31, 2023
Profit before OCI	28,034.74	9,844.54
Profit after OCI	27,911.27	9,716.54
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 ₹	10.11	3.55
Diluted ₹	10.11	3.55
EPS after OCI		
Basic ₹	10.07	3.51
Diluted ₹	10.07	3.51

Note : 45 Other Disclosure as per schedule III of the act and Ind AS :

45.1 Movement of warranty provisions during the year 2023-24

Particulars	Provision for warranties
a) the carrying amount at the beginning of the period ;	3,202.61
b) (i) additional provisions made in the period, including increases to existing provisions ;	4,325.75
c) amounts reversed on completion of warranty period	(2,257.76)
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.	(517.93)
f) the carrying amount at the end of the period ;	4,752.67

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 Consolidated Financial Statements

for the year ended March 31, 2024

45.2 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:

(₹ in Lakhs)

Nature of contingent liability	March 31, 2024	March 31, 2023
i) Contingent liabilities not provided for:		
HBL Power Systems Limited		
a) Claims against the Company not acknowledged as debts towards :		
Excise duty	2,472.78	2,472.78
Sales tax	690.52	669.76
Custom duty	488.70	488.70
Service tax	194.90	194.90
Goods and service tax	38.98	16.98
Property tax	242.03	242.03
Fuel surcharge adjustment	224.23	224.61
Erstwhile promoters of SCIL Infracon Private Limited	542.04	542.04
Others	227.93	394.80
HBL Power Systems Limited		
b) Un-expired guarantees issued on behalf of the Company by banks for which the Company gave counter guarantees	16,695.89	14,646.68
Corporate guarantee given to bank on behalf of subsidiary in respect of loan taken by them	1,271.00	1,271.00
ii) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,493.91	983.75

*The erstwhile promoters of M/s. SCIL Infracon Private Limited filed a petition with the Sole Arbitrator making several new claims against the Company and others. The Arbitration award allowed, only one claim of theirs, relating to Unsecured Loans of ₹2.08 cr to be paid along with interest of 12% p.a., effective from 31.01.2011 till the date of the payment. On an appeal preferred by the Company against the arbitral award, the Hon'ble Civil Court granted stay on the operation of the award on condition of depositing 50% of the amount awarded with interest till date of the order. The Company deposited the 50% amount along with interest amounting to ₹2.71 cr on 17th April 2023 in compliance of the Hon'ble Civil Court's order as modified by the Hon'ble High Court. However, the appeal against the arbitral award is yet to be decided by the Hon'ble Civil Court and the matter is still sub-judice. The company's legal counsel, based on the facts of the case, opined that the claim is not admissible and is likely to be dismissed by the Hon'ble City Civil Court. Based on the above facts, the claim is not acknowledged as debt against the company and is appropriately reported as a contingent liability.

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.

45.3 Commitment towards dividend

The Board of the parent Company in its meeting held on May 27, 2024 has recommended a dividend of ₹0.50 ps per Equity Share of ₹1/- each for the financial year ended March 31, 2024. 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 ₹1,385.97 lakhs towards dividend.

45.4 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.



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

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.

45.5 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 trued up, accounting adjustments have been made wherever found necessary. Such confirmations are awaited from some parties, comprising of government departments and public sector undertakings.

45.6 In the opinion of the management, 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.

45.7 Relationship with struck off companies:

The group has engaged services of third party to carry out the exercise of machine matching of the names of its active customers/vendors with the list of "Struck Off companies" hosted in the MCA website. There are no reportable cases for the reporting period.

45.8 Disclosure as per Ind AS- 24 - Related party disclosures

1	Associate Companies	Naval Systems & Technologies Private Limited Tonbo Imaging India Private Limited	
2	Investee Company	Tonbo Imaging Pte Ltd, Singapore	
3	Key Management Personnel	Dr A J Prasad	Chairman & Managing Director
		Kavita Prasad	Non-Excutive Director
		M Advay Bhagirath	Non-Excutive Director
		M S S Srinath	President
		M Advay Bhagirath	Non-Excutive Director
		M Deeksha	Non-Excutive Director
		E Sairam	Chief Financial Officer
		GBS Naidu	Company Secretary
		N. Prabhakar Murthy	Director of SCIL Infracon Private Limited
		K. Gyan Sagad	Former promoter and Director of SCIL
		Cmdr. Arvind Sharma (Retd.)	CEO / Director of Associate Company
		Aravind Lakshmikummar	Director of Tonbo Imaging India Pvt Ltd
		Non-Excutive Directors	
		P. Ganapathi Rao	Independent Director
		Preeti Khandelwal	Independent Director
		K Venkat Sriram	Independent Director
		Richa Datta	Independent Director
		S Narsing Rao	Independent Director



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Disclosure of transactions with related parties and the status of outstanding balances.

(₹ in Lakhs)

Sl. No	Name	Nature of transaction	Transactions during the year	As on March 31, 2024	
				Gross trade receivables (un-secured)	Gross trade payables
1	Associate Companies	Acquisition of preference shares	8,667.42		
		Sale of goods/services	6884.90	(4.13)	
		Purchase of goods	4167.79		
2	Investee Company	Acquisition of preference shares	0.23		
3	Key Management Personnel	Remuneration paid	298.45	-	
			(226.72)		
		Commission on profits	1,905.63	-	1,943.20
			(377.60)		(179.46)
		Rent paid	9.35	-	
		(8.50)			
		Sitting fee paid to Non-Executive Directors	4.90	-	-
			(4.10)		

Figures in brackets represent previous year balances

45.9 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, 2024 ₹ in Lakhs		March 31, 2023 ₹ in Lakhs	
Segment revenue				
Batteries				
Exports	22,952.83		13,705.65	
Domestic sales	1,19,326.36	1,42,279.19	88,199.23	1,01,904.88
Defence & Aviation				
Exports	3,921.57		4,771.48	
Domestic sales	14,039.59	17,961.16	13,549.50	18,320.98
Electronics				
Exports	1,755.84		2,258.79	
Domestic sales	52,311.13	54,066.97	11,291.95	13,550.74
Unallocated				
Domestic sales	9,813.48	9,813.48	3,849.60	3,849.60
Total		2,24,120.80		1,37,626.20
Less : Inter-segment revenue		785.24		758.36
Net revenue		2,23,335.56		1,36,867.84



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

(₹ in Lakhs)

	March 31, 2024		March 31, 2023	
	₹ in Lakhs		₹ in Lakhs	
Identifiable operating expenses				
Batteries	1,09,164.24		86,977.13	
Defence & Aviation	9,024.63		9,989.75	
Electronics	40,322.11		11,402.94	
Unallocated	9,838.47	1,68,349.45	4,370.11	1,12,739.93
Allocated expenses				
Batteries	5,334.41		4,254.95	
Defence & Aviation	(22.49)		(1,574.31)	
Electronics	3,716.12		1,867.02	
Unallocated	2,111.78	11,139.82	1,443.76	5,991.42
Segment operating income		43,846.29		18,136.49
Unallocable expenses		5,625.79		6,539.01
Operating profit		38,220.50		11,597.48
Other Income		1,790.74		1,768.38
Profit before Interest and Exceptional		40,011.24		13,365.86
Exceptional Items - Income/(Expenses)		(2,808.25)		133.26
Interest Expenses		1,293.65		654.64
Share in Profit / (Loss) of Associate / Joint Venture		1,769.12		135.37
Minority Interest-C/Y share of Profit/(Loss)		(53.89)		(20.74)
Profit before Income taxes		37,732.35		13,000.58
Income tax expenses		9,643.72		3,135.31
Net profit		28,088.63		9,865.27
Segment depreciation(including amortisation of intangible assets)				
Batteries		2,056.44		1,825.73
Defence & Aviation		395.10		360.26
Electronics		926.25		713.39
Unallocated		747.88		646.83
Total		4,125.67		3,546.21
Segment assets				
Batteries		68,411.18		54,603.22
Defence & Aviation		19,255.08		14,065.94
Electronics		30,167.13		30,265.05
Unallocated		47,576.21		30,197.43
Total Assets		1,65,409.60		1,29,131.64
Segment liabilities				
Batteries		10,736.56		15,855.08
Defence & Aviation		3,330.08		1,765.33
Electronics		17,344.13		5,514.21
Unallocated (includes Term Loans and Bank Loans)		10,453.45		10,130.51
Total Liabilities		41,864.22		33,265.13



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

45.10 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, 2024	March 31, 2023
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	Hyderabad	India	100%	100%
TTL Electric Fuel Private Limited	Hyderabad	India	60%	-
Associate Company				
Naval Systems & Technologies Private Limited	Hyderabad	India	41%	41%
Tonbo Imaging India Private Limited	Bangalore	India	15.83%	-
Not Considered for CFS (refer note 45.10(b) below):				

b) Change in the Group Composition :

- 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, 2024 as in previous year.
- HBL Tonbo Private Limited (HTPL) was incorporated by HBL Power Systems Limited and Tonbo Imaging India Private Limited incorporated on September 12, 2022 with a sharing ratio of 51:49. There were no commercial operations since inception of HTPL. An application under Section 248 (2) of the Companies Act, 2013 was made during FY 22-23 for striking off the name of the Company and is under process with Ministry of Corporate Affairs. In view of the same, a provision for diminution of 100% value of investment in equity shares of HTPL of ₹51,000 has been made during the previous reporting period.

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.

Note : 48

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

For **LNR Associates**
Chartered Accountants
FRN No. 053815

On behalf of the board

Raghuram Vedula
Partner
M.No : 242883
UDIN : 24242883BKGWFA9603

Dr A J Prasad
Chairman & Managing Director
DIN : 00057275

Kavita Prasad Aluru
Director
DIN : 00319292

Place : Hyderabad
Date : May 27, 2024

E Sairam
Chief Financial Officer

GBS Naidu
Company Secretary

Place : Hyderabad
Date : May 27, 2024

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

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				As % of consolidated profit or (loss)	Amount	As % of total comprehensive income
Parent	99.00%	1,20,834.33	95.16%	95.43%	95.16%	26,678.99	(169.26)	26,509.73
Subsidiaries								
Foreign								
HBL Germany GMBH	-0.19%	(227.37)	1.33%	2.03%	1.32%	372.69	(3.60)	369.09
HBL America Inc.	-0.32%	(385.54)	0.43%	1.64%	0.42%	120.67	(2.90)	117.77
India								
Torquedrive Technologies Private Limited	-0.24%	(297.18)	-0.99%	-	-1.00%	(277.31)	-	(277.31)
TTL Electric Fuel Private Limited	-0.19%	(232.31)	-0.51%	-	-0.51%	(142.73)	-	(142.73)
Associates *								
India								
Naval Systems & Technologies Private Limited	0.89%	1,086.38	0.78%	-	0.79%	219.76	-	219.76
Tonbo Imaging India Private Limited	1.05%	1,275.82	3.79%	0.90%	3.81%	1,062.67	(1.60)	1,061.07
Total	100%	1,22,054.13	100%	100%	100%	28,034.74	(177.36)	27,857.38
India								
Non controlling interest		(68.17)				53.89	-	53.89
		1,21,985.96				28,088.63	(177.36)	27,911.27

* Investments as per Equity method

Note : Subsidiary entity SCIL Infracore 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, 2024

Referred to in Note No. 47

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	Report- ing cur- rency	Exchange rate on the last date of the finan- cial year	Share capital	Other equity	Total assets (excluding investment)	Total liabilities	Invest- ments	Turnover	Profit before taxation	Provision for tax & def. tax	Profit after taxation	Dividend proposed	% of Share- holding
1)	HBL Germany, GmbH	31.03.2024	EURO	90.22	14.92	(214.09)	1,785.30	1,984.47	-	4,603.88	278.55	-	278.55	-	100
2)	HBL America,Inc	31.03.2024	USD	83.37	323.02	(153.76)	1,659.46	1,490.19	-	5,003.14	260.30	10.56	249.74	-	100
3)	Torquedrive Private Limited	31.03.2024	INR	-	464.10	(297.18)	167.92	1.00	-	-	(278.07)	(0.76)	(277.31)	-	100
4)	TTL Electric Fuel Private Limited	31.03.2024	INR	-	162.50	(365.48)	1,255.21	1,458.19	-	509.24	(135.30)	7.43	(142.73)	-	60





Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2024

Note : Subsidiary entity SCIL Infracon Private Limited has not been considered in the current year for reasons stated in Note no.45 (b) (i)

Part " B" : Associate

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate Companies.

(₹ in Lakhs)

Sl. No	Name of the company	Naval Systems & Technologies Pvt Ltd	Tonbo Imaging India Private Limited
	Associates/Joint Venture	Associate	Associate
1	Latest audited balance sheet date	31.03.2,024	31.03.2,024
2	Shares held by the company at the year end		
	Number of shares	41,000	1,12,156
	Amount of investment (₹ in Lakhs)	4.10	8,667.42
	Extent of holding %	41	15.83
3	Description of how there is significant influence	Common Directors	Common Directors
		(₹ in Lakhs)	(₹ in Lakhs)
4	Networth attributable to shareholding as per latest audited balance sheet	1,090.48	9,728.48
5	Profit/(Loss) for the year after tax	535.99	6,844.32
	Less : adjustment for pref.dividend	0.00	141.43
	Add : Tax expenses	182.96	2,600.62
	Less : Other comprehensive income (net of taxes)	0.00	10.13
	Profit/(Loss) after adjustments	718.95	9,313.64
	i. Considered in Consolidation (Profit before taxes)	294.77	1,474.35
	ii. Considered in Consolidation (Tax expenses)	75.02	411.68
	iii. Considered in Consolidation (OCI)	0.00	1.60
	vi. Total considered in Consolidation	219.75	1,061.07
	v. Not Considered in Consolidation	316.24	5,783.25

As per our report of even date annexed

For LNR Associates

Chartered Accountants

FRN No. 053815

Raghuram Vedula

Partner

M.No : 242883

UDIN : 24242883BKGWFA9603

Place : Hyderabad

Date : May 27, 2024

On behalf of the board

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

E Sairam

Chief Financial Officer

Kavita Prasad Aluru

Director

DIN : 00319292

GBS Naidu

Company Secretary

Place : Hyderabad

Date : May 27, 2024

HBL[®]

HBL POWER SYSTEMS LIMITED

Road No.10, Banjara Hills
Hyderabad 500034, Telangana, India
www.hbl.in