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2014-2015

29th Annual Report

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HBL POWER SYSTEMS LIMITED

CIN : L40109TG1986PLC006745

Regd. Off : 8-20-601, Road No. 10 Banjara Hills, Hyderabad - 500 034.

Financial Year 2014 - 15

Board of Directors

Dr. A J Prasad	- Chairman & Managing Director
Mr. M S S Srinath	- Whole Time Director
Mr. P Ganapathi Rao	
Mrs. Preeti Khandelwal	
Mr. Sanjiv Singhal	
Mr. Ajay Bhaskar Limaye	
Mr. VVS Ravindra – IDBI Bank Nominee (upto 14 November 2014)	
Mr. J. Vidya Shanker – IDBI Bank Nominee (from 14 November 2014 to 5 June 2015)	
Mrs. Kavita Prasad - Whole Time Director (Upto 14 February 2015)	

Audit Committee

Mr. P Ganapathi Rao, Chairman of the Committee
Mr. MSS Srinath
Mrs. Preeti Khandelwal

Company Secretary

Mr. MVSS Kumar

Auditors

M/s Satyanarayana & Co., Chartered Accountants Amar Mansion, Ranigunj Secunderabad-500 003	M/s. Rao & Kumar Chartered Accountants 10-19-15, Soudamani, Siripuram Visakhapatnam-530003
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Cost Auditors

M/s. Narasimha Murthy & Co.
Cost Accountants, Hyderabad 500 029

Bankers

State Bank of India
State Bank of Hyderabad
IDBI Bank Ltd.
Axis Bank Ltd
ICICI Bank Ltd

Registrar and Share Transfer Agents

M/S Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032.
Tel : +91 040 67161530
E-mail : mailmanager@karvy.com

NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the members of HBL POWER SYSTEMS LIMITED will be held at KLN Prasad Auditorium, The Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry, 11-6-841, Red Hills, Hyderabad 500 004 on Tuesday, 29th September 2015 at 4.00 p.m. to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2015 and Statement of Profit and Loss for the year ended as on that date along with the Directors' Report and the Auditors' Report thereon.
2. To declare Dividend for the year ended 31st March 2015.
3. To appoint a Director in place of Mr. Sanjiv Singhal, who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr. Ajay Bhaskar Limaye, who retires by rotation and is eligible for re-appointment.
5. To appoint Auditors for the year 2015-16 till the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration.

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder and on recommendation of the Audit Committee of the Board of Directors, M/s. Rao & Kumar Chartered Accountants, Visakhapatnam (ICAI Firm Registration No. 030895) be and are hereby re-appointed as Independent Statutory Auditors of the Company to hold office from the conclusion of the Annual General Meeting until the conclusion of the next Annual General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to fix such remuneration and reimbursement of out of pocket expenses (if any) as per Company policy as may be determined by the Audit Committee in consultation with the Auditors."

SPECIAL BUSINESS:

6. To consider and if thought fit to pass with or without modification, the following resolution as a special resolution

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of Companies Act, 2013, (including any statutory modifications or re-enactment thereof, for the time being in force), and the rules framed there under, consent of the members be and is hereby accorded to insert a new Article 84(IV) as under:

"Dr AJ Prasad may at the same time be appointed as the Chairperson as well as the Managing Director or Chief Executive Officer of the Company subject to compliance with provisions of the Act and Rules made thereunder"

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. MVSS Kumar, Company Secretary be and is hereby authorised, on behalf of the Company, to do all acts, deeds, matters and things as deem necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary e-form as required."

7. To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution:

"RESOLVED 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 members of the Company be and is hereby accorded for appointment of Dr. A J Prasad (DIN:00057275) as Chairman and Managing Director of the Company for a period of 5 years, with effect from 1st October, 2015 to 30th September 2020 on the following remuneration, terms and conditions as detailed below:

- I. Basic Salary: Rs.60 lacs per annum and other allowances as per Company policy, and Perquisites as below.
- II. Perquisites:
 - a) House Rent Allowance or Provision of House Accommodation subject to a maximum monthly rent at 60% of basic salary, over and above 10% payable by the Managing Director.

The Expenditure incurred by the Company on gas, electricity, water and furnishings will be valued as per the Income Tax Rules, 1962. This shall however subject to ceiling of 10% of the salary.

- b) Leave Travel Allowance: Actual Traveling Expenses incurred for self and dependents, not exceeding one-month basic salary for every year of service.
- c) Medical Reimbursement: Membership or the Subscription paid to any hospital and /or doctors schemes or and insurance company in India and all hospital and medical expenses incurred for self and family subject to ceiling of one month's salary in a year.
- d) Club Fees: Fees of clubs subject to maximum of two clubs, excluding admission and the life membership fees.
- e) Personal Accident Insurance: Actual premium borne by the company.
- f) Company's Contribution to Provident and Superannuation fund to the extent of these either singly or put together are not taxable under the Income Tax Act. Gratuity payable shall not exceed half month's salary for each completed year of service.
- g) Encashment of Leave at the end of the tenure will not be included in the computation of perquisites.
- h) The Company shall provide a car with driver and telephone facility at the residence of the Managing Director. Provision of a car with driver for use on company's business and telephone usage including mobile phone will not be considered as perquisites.

III. Commission: Subject to the overall limits laid down in Section 197 of the Companies Act, 2013 and rules made thereunder, 5% Commission to be paid as percentage of the Profit of the Company for the year. Notwithstanding anything mentioned above, wherein any financial year during the currency of tenure of the Managing Director, the company has no profit or its profit are inadequate it may pay the Managing Director remuneration by way of salary and perquisites not exceeding the limits specified above as minimum remuneration under Section II of Part II of Schedule V of the Companies Act, 2013 including any amendment thereof.

IV. Other Terms: The Appointment is subject to determination by giving three month notice by either party and other rules and regulation of the Company.

IV. Nature of Duties: Dr A J Prasad shall carry out such functions, exercise such powers and perform such duties as the Board 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.

The limits stipulated in this resolution are the minimum limits and the Board may in its discretion revise the remuneration from time to time within the permissible limits stipulated in the Companies Act 2013.

RESOLVED FURTHER THAT Dr AJ Prasad, Chairman and Managing Director 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 the Board of Directors of the company be and is hereby authorised to take all steps as may be necessary to give effect to this resolution and to do such acts, deeds, matters as in its absolute discretion it may consider necessary and expedient in the best interest of the Company."

8. To consider and if thought fit, to pass with or without modification, the following resolution as a special resolution:

RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, Schedule V of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, approval of the members of the Company be and is hereby accorded for appointment of Mr. MSS Srinath (DIN:00319175) as Whole Time Director of the Company for a period of 5 years, with effect from 1st September, 2015 to 31st August, 2020 on the following remuneration, terms and conditions as detailed below:

- I. Basic Salary : Rs.36 lacs per annum and other allowances as per Company policy, which includes Prerequisites as below.
- II. Prerequisites:
- 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. Leave Travel Allowance: Actual traveling expenses incurred for self and dependents, not exceeding one month's basic salary for every year of Service.
 - d. Reimbursement of Medical Expenses incurred by self and dependents not exceeding Rs.15,000/-for every year of service.
 - e. Annual Leave with Salary as per the rules of the Company.
 - f. Company's contribution to Provident Fund and Gratuity as per the rules of the Company.
 - g. 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 prerequisites.
 - h. Notwithstanding anything mentioned above, wherein any financial year during the currency of tenure of the Whole Time Director, the company has no profit or its profit are inadequate it may pay the Whole Time Director remuneration by way of salary and prerequisites not exceeding the limits specified above as minimum remuneration under Schedule V of the Companies Act, 2013.
- III. Other Terms: The Appointment is subject to determination by giving three month notice by either party or other rules & regulations of the Company.
- IV. Nature of Duties: Mr. MSS 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 prerequisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of any such rule, prerequisites shall be evaluated at actual cost.

The limits stipulated in this resolution are the minimum limits and the Board may in its discretion revise the remuneration from time to time within the permissible limits stipulated in the Companies Act 2013.

RESOLVED FURTHER THAT Mr. MSS Srinath, Director 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 the Board of Directors of the company be and is hereby authorised to take all steps as may be necessary to give effect to this resolution and to do such acts, deeds, matters as in its absolute discretion it may consider necessary and expedient in the best interest of the company.

For and on behalf of the Board

Place : Hyderabad 500 034

Date : 14th August, 2015

CIN: L40109TG1986PLC006745

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

Banjara Hills, Hyderabad-500034

Phone: 040-27791641, Fax: 040-27795419

E-Mail: contact@hbl.in; investor@hbl.in

MVSS Kumar
Company Secretary

NOTES:

1. The relative Explanatory Statement pursuant to section 102 of the Companies Act, 2013 (Act) in respect of the business under Item Nos. 5 to 8 of the Notice, is annexed hereto. The relevant details as required under clause 49 of the Listing Agreements entered into with the Stock Exchanges, of persons seeking appointment/reappointment as Directors under Item No. 7 and 8 of the Notice, are also annexed.
2. **A Member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member of the Company.** The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than **FORTY-EIGHT HOURS** before the meeting. Proxies submitted on behalf of limited companies, societies, trusts etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

Members/Proxies should bring the attendance slip duly filled in for attending the meeting.

3. The Register of Members and Share transfer books of the Company shall remain closed from 23rd September, 2015 to 29th September, 2015 (both days inclusive).
4. If the Dividend as recommended by the Board of Directors is approved at the AGM, payment of such dividend will be made as under:
 - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data made available by the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) as of the close of business hours on 22nd September, 2015;
 - b) To all Members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 22nd September, 2015.
5. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrars and Transfer Agents, Karvy Computershares Private Limited to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Karvy Computershares Private Limited.
6. The Notice of the AGM along with the Annual Report 2014-15 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
7. Members seeking any information with regard to the accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
8. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Karvy Computershares Private Limited /Depositories.
9. As per Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility to cast their vote by electronic means on all resolutions set forth in the Notice. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting. The instructions for e-voting are given in Annexure A.
10. Members who have not so far presented dividend warrant(s) for the Financial Year 2008-09 are requested to seek to issue a duplicate warrant(s) by writing to the Company's Registrars and Transfer Agents, M/s. Karvy Computershares Private Limited immediately. Members are requested to note that dividends unclaimed within 7 years from the date of transfer to the Company' Un-paid Dividend Account, will as per Section 124 of the Companies Act, 2013 (Section 205A of the erstwhile Companies Act, 1956) be transferred to the Investor Education and Protection Fund.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

ITEM NO. 5

At the 28th Annual General Meeting held on 27 December 2014, members have appointed, M/s Satyanarayana & Co and M/s. Rao & Kumar, Chartered Accountants, as 'Joint Statutory Auditors' to carry out the audit of accounts of the Company and to hold office until conclusion of next Annual General Meeting.

One of the Joint Statutory Auditors, M/s. Satyanarayana & Co, Chartered Accountants (FRN 036805), after a distinguished service for over 29 years, expressed their unwillingness to seek reappointment at the next Annual General Meeting.

In view of this, the Board, while conveying their sincere appreciation for the services rendered by M/s. Satyanarayana & Co., on recommendation of the Audit Committee, proposes to appoint M/s Rao & Kumar, Chartered Accountants (FRN 030895) Visakhapatnam who are Joint Statutory Auditors of the Company to be re-appointed as Independent Statutory Auditors from the conclusion of the AGM till next AGM.

ITEM NO. 6

The present tenure of Dr AJ Prasad as Chairman and Managing Director (CMD) is upto 30 September 2015 as per a resolution passed in 25th AGM of the Company held on 5 September 2011.

The Companies Act 2013 provides that the role or designation of Chairman and Managing Director or Chairman and Chief Executive Officer shall not be assigned to the same person.. In other words, the same person shall not act as both Chairman and Managing Director or Chief Executive Officer of the Company after commencement of the Act. However, if the Articles (AoA) of the Company provide for such appointment, the above restriction will not apply:

In order to appoint Dr. A J Prasad as Chairman and Managing Director, it is essential to amend the AoA of the Company by passing a Special Resolution under Section 14 of the Companies Act, 2013 and rules made thereunder.

Dr AJ Prasad is a Technocrat entrepreneur and Promoter Director of the Company and has an excellent educational and business management background. Dr AJ Prasad did his B.Tech (Hons) from Indian Institute of Technology, Kharagpur; MS from Massachusetts Institute of Technology - Sloan School of Management and PhD in International Business from Columbia University, New York. He contributed immensely for the growth of the Company.

Hence your Directors recommend the aforesaid Resolution for your acceptance in the best interest of the Company.

Dr. A J Prasad and Mr. MSS Srinath are deemed interested or concerned in the aforesaid resolution.

ITEM NO. 7

The present tenure of Dr AJ Prasad as Chairman and Managing Director is upto 30 September 2015 as per a resolution passed in 25th AGM of the Company held on 5 September 2011.

By reason of proviso to Section 196(2) of the Companies Act, 2013, re-appointment is permitted if the expiry of the term is less than one year. As per the Companies Act 2013, appointment of a person having the age of 70 years may be made by approval of members by a special resolution. As per Articles of Association (AoA) of the Company he is a permanent Director (Art 87).

Your Directors on recommendation of the Nomination and Remuneration Committee recommend the resolution for the approval of the Shareholders as a special Resolution. None of the Directors other than Dr. A J Prasad and Mr. M S S Srinath is interested in this resolution.

ITEM NO. 8

The present tenure of Mr. MSS Srinath as Whole Time Director is upto 31st August 2015 as per a resolution passed in 24th AGM of the Company held on 27 September 2010.

By reason of proviso to Section 196(2) of the Companies Act, 2013, re-appointment is permitted if the expiry of the term is less than one year. Mr. MSS Srinath has contributed significantly to the marketing and business growth of the Company.

Your Directors on recommendation of the Nomination and Remuneration Committee recommend the resolution for the approval of the Shareholders as a special Resolution. None of the Directors other than Dr. A J Prasad and Mr. MSS Srinath is interested in this resolution.

For and on behalf of the Board

Place : Hyderabad
Date : 14th August, 2015

MVSS Kumar
Company Secretary

ANNEXURE TO EXPLANATORY STATEMENT

I. GENERAL INFORMATION:

1. Nature of Industry:

The Company is engaged in designing, development and manufacture of specialized batteries and DC systems in India and other engineering products. With over three decades of its experience in this field, the Company offers a wide range of batteries and associated electronics providing its customers, custom built solutions to meet critical requirements. The Company operates from different manufacturing facilities and regional offices across India.

2. The Company has commenced its commercial activity in the year 1977.

3. The Company is in existence for over 3 decades hence, clause 3 of General Information is not applicable.

4. Financial Performance (based on audited financial statements):

(Rs. in Crores)

S.No	Financial Year	Paid-up Capital	Sales	Profit before Tax	Profit after Tax	Dividends (as % of paid up capital)
1	31.03.2011	25.30	994.95	5.10	16.45	10
2	31.03.2012	25.30	1089.53	21.70	9.60	15
3	31.03.2013	25.30	1197.42	25.33	20.44	15
4	31.03.2014	25.30	1280.79	52.10	45.01	20
5	31.03.2015	25.30	1330.07	25.32	14.62	20 recommended

5. Export performance (based on audited financial statements):

(Rs. in Crores)

Financial Year	March 2015	March 2014	March 2013	March 2012	March 2011
Particulars					
Export sales	178.90	255.79	269.08	226.45	175.88

6. There is no Foreign Investment or Foreign Collaboration.

II. INFORMATION ABOUT THE APPOINTEE:

1. Background Details :

Dr. A.J. Prasad is the promoter and Chairman & Managing Director of the Company. Dr. Prasad is B.Tech from IIT, Khargpur, MS in Management from MIT, USA, Doctorate in International Business from Columbia University, USA.

2. Past Remuneration:

(Rs. in lakhs)

S.No.	Name of the Managerial personnel Dr. A J Prasad, Chairman & MD	31.03.2014	31.03.2013	31.03.2012
1	Salary	41.28	41.28	41.28
2	Commission on profits	-	56.16	-

3. Recognition or Awards

Dr. A J Prasad has rich and extensive experience in international business and management, which is steering strength for the development of the Company.

4. Job Profile and Suitability:

Dr. A J Prasad is engaged in overall management of the company with specific focus on new products, organizational development and promotion of export sales.

5. Proposed Remuneration:

The current remuneration is as approved by the members of the Company at the Annual General Meeting held on 5th September 2011.

6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

The Company is a medium sized engineering Company and in view thereof, the remuneration proposed and approved by the members at the 25th Annual General Meeting held on 5th September 2011 is considered to be reasonable and is within the scale of remuneration payable as per than Schedule XIII of the Companies Act, 1956 and also Schedule V of the Companies Act, 2013 and rules made thereunder, is well in comparison with the remuneration payable to Chairman and Managing Director in the industry.

7. Pecuniary relationship directly or indirectly with the company:

There is no pecuniary relationship of the managerial personnel with the Company indirectly other than the approved remuneration.

III. OTHER INFORMATION:

Inevitable market conditions are the key factors for inadequacy in profits. However, the present special resolution is proposed as an abundant caution to enable the Company to pay remuneration within the limits of Schedule V of the Companies Act, 2013 and rules made thereunder.

IV. DISCLOSURES :

1. The Board has taken required steps to inform the shareholders about the remuneration of Managerial Person.

2. Disclosure in the Corporate Governance Report is attached in the relevant section of this report.

For and on behalf of the Board

Place : Hyderabad
Date : 14 August, 2015

MVSS Kumar
Company Secretary

**BRIEF PARTICULARS OF DIRECTORS PROPOSED FOR
RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING**
(In pursuant to clause 49 of the Listing Agreement)

Name of the Directors	Dr A J Prasad
Date of Birth	03.11.1945
Date of first appointment	20.08.1986
Qualification	B Tech from IIT (Kharagpur); MS in Management from MIT, USA, Doctorate in International Business from Columbia University, USA.
Expertise in specific functional Area	Overall management of the company with specific focus on product development and promotion of export sales.
Details of other Directorships	Beaver Engineering & Holdings Private Limited
Details of Committee and membership status	NIL

Name of the Directors	Mr. M S S Srinath
Date of Birth	23.04.1969
Date of first appointment	24.11.1997
Qualification	BA (Hons) Economics
Expertise in specific functional Area	Overall the Marketing activities and other administrative affairs of the company.
Details of other Directorships	Beaver Engineering & Holdings Private Limited
	Kairos Engineering Limited
	Naval Systems and Technologies Private Limited
	Plumac Batteries Private Limited
Details of Committee and membership status	NIL

Name of the Directors	Mr. Sanjiv Singhal
Date of Birth	23.03.1967
Date of first appointment	14.08.2012
Qualification	MBA from the Wharton Business School (USA), MA with distinction from the University of Essex, UK and BA with honours from Delhi University.
Expertise in specific functional Area	Previously working with Standard Chartered Bank as head of Structured Finance for India and later SE Asia out of Singapore. He has vast banking experience and brings in a good credit judgment. He also spent the first three years of his working life as an entrepreneur wherein he took over an ailing automobile components manufacturing company and turned it around.
Details of other Directorships	Trimax IT Infrastructure & Services Limited
	GEI Industrial Systems Limited
	Deepak Fasteners Limited
	Dee Development Engineers Limited
	Beaver Engineering & Holdings Private Limited
Details of Committee and membership status	Member of Nomination and Remuneration Committee

Name of the Directors	Mr. Ajay Bhaskar Limaye
Date of Birth	20.05.1969
Date of first appointment	14.02.2013
Qualification	CFA Charter holder with prior qualification as an Engineer with an MBA in Finance
Expertise in specific functional Area	Vast experience in the investment industry in India. During this period, he has been involved in managing various types of funds including Private Equity Fund (diversified growth capital), Venture Capital fund, Technology Fund, Infrastructure Fund and Special Situations Fund, besides listed market investments
Details of other Directorships	Data Patterns (India) Private Limited
Details of Committee and membership status	NIL

ANNEXURE A – INSTRUCTIONS FOR E-VOTING

Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote by electronic means. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, August 28, 2015 i.e. the date prior to the commencement of book closure date are entitled to vote on the Resolutions set forth in this Notice. The remote e-voting period will commence on Friday, September 25, 2015 at 10.00 am and will end at 5.00 pm on Monday, September 28, 2015. The facility for voting through electronic voting system ('Insta Poll') shall be made available at the meeting and the members attending the meeting who have not cast their vote by remote e-voting shall be able to vote at the meeting through 'Insta Poll'. The Company has appointed Mr. Naresh Kumar Chanda, Practising Company Secretary, to act as the Scrutinizer, to scrutinize the Insta Poll and remote e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting refer to the detailed procedure given hereinafter.

Procedure for remote e-voting

- I. The Company has engaged the services of Karvy Computershare Private Limited (Karvy) for facilitating remote e-voting for AGM. The instructions for remote e-voting are as under:
 - (a) In case of Members receiving an e-mail from Karvy :
 - (i) Launch an internet browser and open <https://evoting.karvy.com>
 - (ii) Enter the login credentials (i.e. User ID and password). The Event No.+Folio No. or DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - (iii) After entering the above details Click on - Login.
 - (iv) Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@,#,\$,etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.
 - (v) On successful login, the system will prompt you to select the E-Voting Event
 - (vi) Select the EVENT of HBL POWER SYSTEMS LIMITED and click on – Submit .
 - (vii) Now you are ready for e-voting as 'Cast Vote' page opens.
 - (viii) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
 - (ix) Upon confirmation, the message 'Vote cast successfully' will be displayed.
 - (x) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xi) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at nareshkumarchanda@gmail.com they may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."
 - (b) In case of Shareholders receiving physical copy of the Notice of AGM and Attendance Slip
 - (I) INITIAL PASSWORD IS PROVIDED, AS FOLLOWS, AT THE BOTTOM OF THE ATTENDANCE SLIP.

EVEN(E-Voting Event Number)	USER ID	PASSWORD
–	–	–

- (ii) Please follow all steps from Sr. No. (i) to Sr. No. (xi) above, to cast vote.
- II. In case of any queries, you may refer to the 'Frequently Asked Questions' (FAQs) and 'e-voting user manual' available in the downloads section of Karvy's e-voting website <https://evoting.karvy.com>.
- III. If you are already registered with Karvy for e-voting then you can use your existing User ID and Password for casting vote.
- IV. The voting rights shall be as per the number of equity share held by the Member(s) as on September 22, 2015. Members are eligible to cast vote electronically only if they are holding shares as on that date.
- V. The Companies (Management and Administration) Amendment Rules, 2015 provides that the electronic voting period shall close at 5.00 p.m. on the date preceding the date of AGM. Accordingly, the voting period shall commence at Friday, September 25, 2015 at 10.00 am and will end at 5.00 pm on Monday, September 28, 2015. The e-voting module shall be disabled by Karvy at 5.00 p.m. on the same day.
- VI. Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- VII. The members who have cast their vote by remote e-voting may also attend the meeting but shall not be entitled to cast their vote again.
- VIII. Members who have acquired shares after the despatch of the Annual Report and before the book closure may obtain the user ID approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means.
 - a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS : MYEPWD <space> Event number+Folio No. or DP ID Client ID to 9212993399
 Example for NSDL : MYEPWD <SPACE> IN12345612345678
 Example for CDSL : MYEPWD <SPACE> 1402345612345678
 Example for Physical : MYEPWD <SPACE> XXX1234567
 - b. If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - c. Member may call Karvy's toll free number 1-800-3454-001
 - d. Member may send an e-mail request to evoting@karvy.com
- IX. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

DIRECTORS' REPORT

Dear Members

Your Board of Directors take pleasure in presenting the 29th Annual Report for the financial year ended on 31st March 2015. The financial performance is presented below (stand-alone basis).

(₹ In Lacs)

S No.	Particulars	2014-15	2013-14
1	Net Sales	133007.03	128079.35
2	Other Income	1660.52	1001.53
3	Total Income	134667.55	129080.88
4	Total Expenditure	118462.23	118099.59
5	Profit before interest, depreciation and tax (PBITD)	16205.32	10981.29
6	Finance Cost	7066.02	7573.87
7	Depreciation & Amortization expenses	5103.85	3850.95
8	Profit/(loss) before Exceptional and Extra-ordinary items and Tax	4035.45	(443.53)
9	Exceptional Items – Income / (expenses)	(1503.82)	5653.98
10	Profit before tax (PBT)	2531.62	5210.45
11	Provision for tax & tax adjustment	1069.55	709.40
12	Net Profit after Tax (PAT) for the year	1462.07	4501.05
13	Transfer to General Reserve	500.00	500.00
14	Earnings Per Share (Diluted EPS of Rupees)	0.58	1.78
15	Proposed Dividend (on share of Re 1 each face value)	20%	20%

Performance Review 2014-15:

While the regulatory and procedural reforms undertaken by the new Government since taking office in June last year did help improve the business climate prevailing in the country, weak demand continued to constrain the private sector activity. Economic activity witnessed a steady, albeit slow recovery through the year. Even amidst this scenario, your Company demonstrated resilience to economic cycles. Sales during the year showed a marginal improvement. Greater emphasis was laid on cost control measures and operational efficiencies. This yielded a profit of ₹4035.45 lacs during the year, compared to a loss of ₹443.53 lacs in the previous year. After providing for ₹1503.82 lacs towards exceptional items (compared to ₹5653.98 lacs income in the previous year), and a suitable provision for depreciation as per rates in Schedule II of the Companies Act 2013 and amortization of expenses, Profit Before Tax (PBT) was ₹2531.62 lacs as compared to ₹5210.45 lacs in the previous year. Net Profit after Tax (PAT) tax and adjustments for the year was ₹1462.07 lacs as compared to ₹4501.05 lacs in the previous year.

During the year severe damage was caused by Hudhud cyclone to stocks, assets and operations in the Company's Lead Acid Plant at Vizianagaram and Nickel and PE Plants at SEZ, Visakhapatnam. The impact of the cyclone was so severe, it resulted in a loss of production for about 30 days and another 30 days partially during restoration. The Company had lodged a claim with the Insurers towards recovery of the losses and also for loss of profit. A suitable provision was made for loss incurred due to damages to Inventory and repairs and restoration expenses including interim settlement in the accounts of the year. Final settlement of the claim is pending with the Insurers.

Current year's performance:

On the whole overall markets have not shown significant growth. Telecom market demand (which constitutes your Company's prime business segment) continues to be stagnant with a modest growth. Delays in Railway and Defence business segments also have an affect on Company's operations. Your Directors have taken necessary corrective steps and barring unforeseen circumstances, performance of the Company in the coming years is expected to be encouraging. The Management Discussion and Analysis section of the Annual Report presents a detailed business review of the Company.

Dividends:

Your Directors are pleased to recommend 20% dividend (ie Re.0.20/- per equity share of Re.1 fully paid up share) (Previous Year 20%) for the Financial Year 2014-15, subject to the approval of the members at the ensuing Annual General Meeting. The proposed dividend including Corporate Dividend Tax will absorb ₹ 609.01 lacs.



Transfer to reserves

The Company proposes to transfer Rs. 500 lacs to the General reserve out of the amount available for appropriation from current year profits.

Subsidiary Companies:

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with the Companies Act, 2013 and applicable Accounting Standards form part of this Annual Report. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies, associates and joint ventures.

The Company has four subsidiaries as on March 31, 2015, namely,

1. SCIL Infracon Private Limited
2. HBL Suntech LLP
3. HBL America Inc.
4. HBL Germany GmbH, Germany

There is one associate Company namely Naval Systems & Technologies Pvt Ltd (NSTL) within the meaning of Section 2(6) of the Companies Act, 2013 ("Act"). The Company having one Joint Venture Company namely Gulf Batteries Co. Ltd (JV in the Kingdom of Saudi Arabia -KSA).

There has been no material change in the nature of the business of the subsidiaries. Pursuant to provisions of Section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is attached to the financial statements of the Company.

Pursuant to the provisions of section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited accounts in respect of subsidiaries, are available on the website of the Company.

During the year, operations of following subsidiaries were reviewed:

SCIL Infracon Private Limited (SIPL):

Considering various alternative options, a proposal was in principle approved for merger of SIPL with its holding company (HBL) to harness business synergy and operational growth, subject to usual procedures and approvals. Necessary clearances were obtained from BSE and NSE respectively by way of observation letter for a draft scheme of amalgamation in the nature of merger. Approval of the Hon'ble High Court of Judicature at Hyderabad for AP and Telangana is yet to be obtained.

HBL Suntech LLP

Due to unviable business outlook, the designated partners of HBL Suntech LLP proposed to discontinue further operations of HBL Suntech LLP from April 2014 onwards. Matters related to existing business are being looked at in order to conclude various pending issues.

MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments have occurred after the closure of the Financial Year 2014-15 till the date of this Report which would affect the financial position of your Company.

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 the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. they have selected such accounting policies 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, 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 2014-15.

Directors and key managerial personnel

Dr. A J Prasad has been continuing as Chairman and Managing Director of the Company. He is attaining the age of 70 in the next few months and his term of appointment would expire on 30th September, 2015. The Board, in view of his significant contribution in the development of the Company from inception, recommends for his re-appointment as Chairman and Managing Director of the Company after Complying with the necessary provisions of the Companies Act 2013 and rules made thereunder.

During the year Mrs. Kavita Prasad resigned from the Board and IDBI Bank Limited replaced its nominee Mr. VVS Ravindra with Mr. J Vidya Shankar w.e.f. 14th November, 2014. Subsequent to the date of Balance Sheet, IDBI Bank Limited, at the request of the Company has withdrawn its nomination of Mr. J Vidyashankar also w.e.f. 5th June 2015. Your Board conveys sincere appreciation for their service during their tenure as Directors.

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

Number of meetings of the board

Four meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

Board evaluation

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the 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 the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the 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. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, performance of non-independent directors, performance of the board as a whole and performance of the Chairman was evaluated taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual directors was also discussed.

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 Corporate Governance Report, which forms part of this report. The Board of Directors has accepted all the recommendations of the Audit Committee.

Statutory Auditors

At the 28th AGM held on 27 December 2014 shareholders have appointed, M/s Satyanarayana & Co and M/s. Rao & Kumar Chartered Accountants, as 'Joint Statutory Auditors' (JSA) to hold office until conclusion of next AGM to be held in 2015.

One of the Joint Statutory Auditors, M/s. Satyanarayana & Co, Chartered Accountants (FRN 03680S), after a distinguished service for over 29 years, expressed their unwillingness to seek reappointment at the next Annual General Meeting. Due to certain unavoidable reasons, M/s Satyanarayana & Co expressed their inability to carry out the audit and subsequent certification of the Consolidated Financial Statements and Financial Results for First Quarter ending June 2015. The standalone financial statements of the Company for the year ended on 31 March 2015 were duly approved at the Board meeting held on 29 May 2015 and were then jointly certified by both the auditors.

In this situation, the Management requested M/s. Rao & Kumar, Chartered Accountants to take up the function that would otherwise have to be carried out jointly by both Joint Statutory Auditors, which they have accepted.

In view of this, your Board, while conveying its sincere appreciation for the services rendered by M/s. Satyanarayana & Co. Chartered Accountants on recommendation of the Audit Committee and pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules made thereunder, proposes to appoint M/s Rao & Kumar, Chartered Accountants (FRN 03089S) Visakhapatnam who are Joint Statutory Auditors of the Company to be re-appointed as Independent Statutory Auditors from the conclusion of the Annual General Meeting (AGM) till the conclusion of the thirty-first AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND PRACTICING COMPANY SECRETARY IN THEIR REPORTS:

The Board has considered the observations/ queries as raised by the Statutory Auditors and the explanations are as under. Report of the secretarial auditor is given as an annexure which forms part of this report.

Comments of the Auditors	Board's reply
Basis for Qualified Opinion Reference is drawn to Note No.31. Some of the year end balances appearing under the heads referred to therein are confirmation / reconciliation and consequential adjustments. In the absence of (a) Confirmation of Balances; (b) Cause wise analysis of such balances and (c) details of counter claims, if any, from the customers, we are not in a position to ascertain the quantum and its consequential overall impact on the financial statements.	There is a regular practice of circulating balance confirmation letters every year. Some of the parties, mostly Government department customers have not responded in time. Such letter says that the balance is deemed confirmed or accepted if the reply is not received in a stipulated time. The Company believes there will not be any material impact of such balances or claims even if the letters are received.
Emphasis of Matters 1) We draw attention to Note 8.1 to Financial statements which states that interest on delayed payments to parties, registered as MSME under the MSMED Act, 2006, is not provided for, as in the absence of any claim from the said parties, they are reckoned as 'not due' by the company.	Some of the vendors who come under the purview of MSMED Act 2006 have a continuous business relationship with the Company for a long time. No claims were received by the Company for interest. If any such claims are received, they will be treated on cash basis.
2) We draw attention to Note 15.3 to Financial Statements in respect of repudiation, by the Insurers, of a claim made by the company, in respect of which the company had initiated legal action for recovery, the outcome of which is uncertain at this stage. Our opinion is not qualified in respect of the above matters.	The Company has already taken a suitable legal recourse in this matter and the outcome is awaited.
Report on other legal and regulatory requirements 2(d)In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 except for the disclosure to be made in pursuance of Accounting Standard AS-27, for the reasons detailed in Note No. 34.8.	Gulf Batteries Co Ltd is a JV in the KSA in which the Company holds 40% shareholding. The JV Company has since given the audited financial statements for the year ended 31 December 2014 (which is the financial year of JV Company in that country) and unaudited financial reports for the quarter ended 31 March 2015. These reports have been used to prepare the Consolidated Financial Statements,
iii) As on the date of the Balance Sheet, there was a delay in transferring Un-claimed / Un- paid Dividend amount. The amount of Rs. 2.15 lakhs relating to Financial Year 2006-07 which is required to be transferred, to the Investor Education Protection Fund in November 2014 was actually transferred by the Company in April 2015.	This was since transferred by the Company in April 2015.

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. To the best of their knowledge and ability and inputs provided by various assurance providers confirm that such financial controls are adequate and were operating effectively.

Particulars of loans, guarantees and investments

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

Transactions with related parties

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

Corporate social responsibility

The Company has a Board-level committee that supervises its Corporate Social Responsibility (CSR) activities. The brief outline of the CSR Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure II of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Extract of annual return

As provided under Section 92(3) of the Act, the extract of annual return is given in Annexure III in the prescribed Form MGT-9, which forms part of this report.

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:

1.	Employee Name	Mr. Suresh Kalyan
2.	Total CTC Paid (₹ lacs)	₹ 37.50 lacs
3.	Designation and Nature of Duties	Chief Operating Officer (COO)
4.	Qualification	BSc., Chartered Accountant
5.	Exp.(Yrs.)	26
6.	Date of commencement of employment	17.11.2014
7.	Age	51
8.	Last employment held before Joining the Company	Amara Raja Batteries Limited, Hyderabad, as President – Finance

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

Please refer para (h) below

- The percentage increase in the median remuneration of employees in the financial year: 16 %
- The number of permanent employees on the rolls of Company: 2458 (as at 31 March 2015)
- The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of 16%. The individual increments varied from 4% to 25%, based on individual performance. As per the remuneration policy of your Company, employees are compensated broadly in comparison with the median of the comparator basket, on the basis of performance, potential and criticality for achieving competitive advantage in the business. Salary increases during the year were in line with your Company's performance as well as per inflation and motivational factors.

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

Aggregate remuneration of key managerial personnel (KMP) in FY2014-15 (₹ lacs)	242.83
Revenue (₹ lacs))	134667.55
Remuneration of KMPs (as % of revenue)	0.18
Remuneration of KMP (as % of PBT)	9.59

g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalisation (₹ crores)	1209.30	247.18	489.24
Price Earnings Ratio	87.93	5.49	1601.64

h. Comparison of each remuneration of the key managerial personnel against the performance of the Company:

Amount in Rs. lacs.

Particulars	Dr. AJ Prasad	Mr. MSS Srinath	Mrs. Kavita Prasad	Mr. MVSS Kumar	Mr.K Mahidhar
Designation	CMD	Executive Director	Executive Director (upto 14 Feb 2015)	Company Secretary	Vice President Finance
Remuneration in FY 2014-15	41.28	18.36	15.30	24.75	30.00
Commission on profit	113.14	-	-	-	-
Revenue	134667.55	134667.55	134667.55	134667.55	134667.55
Profit before Tax (PBT)	2531.62	2531.62	2531.62	2531.62	2531.62
Remuneration as % of Revenue	0.11	0.01	0.01	0.01	0.02
Remuneration (as % of PBT)	6.09	0.72	0.60	0.97	1.18

j. 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: 41%

Disclosure requirements

As per Clause 49 of the listing agreements entered into with the stock exchanges, corporate governance report with auditors' certificate thereon and management discussion and analysis are attached, which form part of this report.

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the revised Clause 49 of the Listing Agreements with stock exchanges.

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.

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

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

Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a separate section titled "Report on Corporate Governance" is attached to the Annual Report.

Cost Auditors:

Your Board has appointed M/s K. Narashima Murthy & Co., Hyderabad, Cost Accountants as Cost Auditors of the Company for conducting the audit of cost records of the Company for the financial year 2014-15. Your Board proposes to re-appoint them as Cost Auditors for 2015-16 subject to the approval from Central Government.

Secretarial Auditors:

Your Board has appointed Mr. Naresh Kumar Chanda (MS No.6094 and CP No.8153)) Practicing Company Secretary as a Secretarial Auditors for the financial year 2014-15.

Acknowledgements:

Your Directors take this opportunity to thank all the Company's Bankers and Financial Institutions, the 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.

The Board of Directors also thanks all its Shareholders for the confidence reposed in the Management.

For and on behalf of the Board

Dr. A J Prasad

Chairman and Managing Director

Place : Hyderabad

Date : 14th August, 2015

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR 2014-15

**Conservation of Energy, Technology Absorption,
Foreign Exchange Earnings and Outgo.**

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

(₹ lacs)

	Particulars	2014-15	2013-14
1	Value of Imports (on CIF basis) Raw Materials, Components & Spares Capital items/ Equipment	22479.84 21.34	37750.41 65.94
2	Expenditure in Foreign Currency Commission Traveling expenses Royalty Professional charges Marketing expenses Others	166.40 52.84 - 21.48 314.03 37.43	44.26 72.17 54.51 61.29 270.84 302.69
3	Investment in subsidiary	-	-
4	Foreign Exchange Earnings Export sales (on FOB basis) Services	17812.24 77.72	25129.48 449.99

For and on behalf of the Board

Dr. A J Prasad

Chairman and Managing Director

Place : Hyderabad

Date : 14th August, 2015.



ANNEXURE I – DIRECTORS REPORT

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 Company has not entered into any contract or arrangement or transaction with its related parties which is not at arm’s length during financial year 2014-15.

2. Details of material contracts or arrangement or transactions at arm’s length basis:

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

Name of the Related party	Nature of relationship
Beaver Engineering & Holdings Pvt. Ltd (Holding Company of HBL)	Holdings Company of HBL and Promoters & Directors are common.
SCIL Infracon Pvt Ltd	Wholly owned subsidiary
HBL Germany, GmbH	Wholly owned subsidiary
HBL America Inc, USA	Wholly owned subsidiary
Gulf Batteries Company Ltd, KSA	JV Company.
HBL Suntech LLP	HBL holds 60% as a partner in LLP.
Naval Systems and Technologies Pvt. Ltd	Associate Company

b. Nature of contracts / arrangements / transactions: Supply, service of batteries, Rentar and concrete products

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

d. Date(s) of approval by the Board, if any: For all the above mentioned related parties, necessary approvals for the members of the Company has been obtained at the 28th Annual General Meeting of the Company held on 27th December 2014

e. Amount paid as advances, if any: Nil

Place: Hyderabad
Date : 14th August 2015

For and on behalf of the Board
Dr. A J Prasad
Chairman and Managing Director

ANNEXURE II – DIRECTORS’ REPORT

ANNUAL REPORT ON CSR ACTIVITIES

1. A brief outline of the company’s CSR policy including overview of projects or programs undertaken:

HBL has been taking up the activities to improve the standards of living of the residents of the surrounding villages wherever the Company has operational facilities. HBL initiated its Social Responsibility activities in the year 2007, well before the mandatorily required under the Companies Act 2013 as a responsible corporate and shall continue the same to comply with the regulatory requirements of Corporate Social Responsibility. HBL suitably revised its CSR policy to bring in line with the regulatory requirements. HBL chose development of villages and the Children residing in the surrounding villages as our Focus and Target beneficiaries, as they are the future of a Society.

CSR Policy

Vision	To provide support for improving living standards of people in and around HBL factory locations	
Purpose	To ensure social support, provide nutrition, education support and rehabilitation of under privileged.	
Approach	<ol style="list-style-type: none"> 1. Reaching out directly to the beneficiaries 2. Working with institutions that work for beneficiaries 	
Methodology	<ol style="list-style-type: none"> a) Identify the needs (needs assessment study) Demographic, social and economic profile of village Basic amenities already available in the village Resource base and utilization. b) Design and implement solutions c) Stakeholders involvement Local community & Govt. officials Beneficiaries 	
	Health	<ul style="list-style-type: none"> • Providing nutrition food for children below 6 years age. • Organizing health check-up camps. • Organizing health awareness programs. • Providing support for referral services
	Education	<ul style="list-style-type: none"> • Providing joyful pre-school education • Promoting girl child education <ul style="list-style-type: none"> – Scholarships • Supporting primary education <ul style="list-style-type: none"> – Learning aids – Sports kits
Area of focus	Water	<ul style="list-style-type: none"> • Providing safe drinking water facility in easily accessible manner
	Infrastructure	<ul style="list-style-type: none"> • To provide a natural, joyful, simulating environment facility with emphasis on necessary inputs for optimal growth and development of children. • Contributions for community development facilities i.e buildings, school furniture’s, Libraries, temples, solar street lights etc.
	Livelihoods	<ul style="list-style-type: none"> • Facilitating vocational training programs for youth and livelihood enhancement projects for women. • Employment opportunities
	Sanitation	<ul style="list-style-type: none"> • Providing garbage collection rickshaws • Organizing awareness programs • Providing financial support in construction of toiles in schools. • Waste collection management.
	Environment	<ul style="list-style-type: none"> • Tree plantation • Tree guards • Providing solar street lights. • Organizing awareness programs



2. Details of CSR spent during the financial year:

Rs. In lacs

S.No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount spent on the projects or programs Subheads : (1) Direct expenditure on projects or programs (2) Overhead	Amount spent : Direct or through implementing agency (details of implementing agency)
1	Promotion of Education of children	Education	Shameerpet, Bhoothpur and Vizianagaram	7.98	Direct
2	Eradication of Malnutrition	Hunger	Shameerpet, Bhoothpur and Vizianagaram	8.22	Direct
3	Health Care	Health	Shameerpet, Bhoothpur and Vizianagaram	11.3	Direct
4	Contribution to eligible Orphanages / Old age homes	Education	Telangana and Andhra Pradesh	5.74	NA
			GRAND TOTAL	33.24	

3. We hereby declare that implementation and monitoring of the CSR policy are in compliance with CSR objectives and policy of the Company.

Dr. A J Prasad
Chairman and Managing Director

Mr. P Ganapathi Rao
Chairman CSR Committee

Place : Hyderabad
Date : 14th August 2015

ANNEXURE III – DIRECTORS REPORT

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2015
[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 23355575, 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
M/S Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032.
Tel : +91 040 67161530
E-mail : mailmanager@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl.No	Name & Description of main products/services	NIC Code of products/services	% of total turnover of the company
1	Manufacture of batteries	272	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl.No	Name & Address of the Company	CIN	Holding/ Subsidiary Associate	% of shares held	Relevant Sections
1.	Beaver Engineering and Holdings Private Limited8-2-601, Road No.10, Banjara Hills, Hyderabad-500034, Telangana	U21011AP1992PLC014050	Holding	56.55	2(46)
2	SCIL Infracon Private Limited Sy.No.26, Kubera Towers, Trimulgherry, Secunderabad - 500 015	U45400AP2007PTC054295	WOS	100	2(87)
3	HBL Suntech LLP8-2-601, Road No.10, Banjara Hills, Hyderabad-500034 Telangana	AAA-6399	Subsidiary 2(87)	60	
4	Naval Systems & Technologies Pvt Ltd. Plot#563. Road#31Jubilee Hills Hyderabad-500033Telangana	U31403AP2006PTC051006	Associate	41	2(6)
5	HBL America Inc. USA	Not applicable	WOS	100	2(87)
6	HBL Germany GmbH, Germany	Not applicable	WOS	100	2(87)
7	Gulf Batteries Co. LtdKSA	Not applicable	Joint Venture	40	2(6)

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

i. Category-wise Share holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				Change during the year
	Demat	Physical	Total	% of Total	Demat	Physical	Total	% of Total	
A PROMOTERS									
1. INDIAN									
a. Individual /HUF	43971629	-	43971629	17.38	43971629	-	43971629	17.38	-
b. Central /State Government (s)	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	143059443	-	143059443	56.55	143410653	-	143410653	56.68	0.13
d. Financial Institutions/ Banks									
e. Others	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	187031072	-	187031072	73.93	187382282	-	187382282	74.06	0.13
2. FOREIGN									
a. Individuals (NRIs/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b. Bodies Corporate	-	-	-	-	-	-	-	-	-
c. Institutions	-	-	-	-	-	-	-	-	-
d. Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e. Others	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)	187031072	-	187031072	73.93	187382282	-	187382282	74.06	-
B PUBLIC SHAREHOLDING									
1 Institutions									
a. Mutual Funds /UTI	226025	-	226025	0.09	12900926	-	12900926	5.10	5.01
b. Financial Institutions /Banks	1000	4000	1000	0.00	184756	4000	188756	0.07	0.07
c. Central /State Government (s)	-	-	-	-	-	-	-	-	-
d. Venture Capital Funds	-	-	-	-	-	-	-	-	-
e. Insurance Companies	-	-	-	-	-	-	-	-	-
f. Foreign Institutional Investors	7341618	10204450	17546068	6.94	1035436	-	1035436	0.41	-6.53
g. Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h. Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
i. Others	-	-	-	-	-	-	-	-	-
Sub-Total (B) (1)	7568643	10208450	17777093	7.03	14125118	4000	14121118	5.58	-1.45
2 Non-Institutions									
a. Bodies Corporate	18748938	7010	18755948	7.41	16657581	-	16657581	6.58	0.83
b. Individuals									
i. Individuals holding nominal share capital upto Rs.1 lakh	18893884	4017464	22911348	9.06	23276734	3916724	27193458	10.75	1.69
ii. Individuals holding nominal share capital in excess of Rs.1 lakh	4783828	155000	4938828	1.95	5779671	155000	5934671	2.35	0.40
c. Others	1585711	-	1585711	0.62	1706890	-	1706890	0.67	0.05
Sub-Total (B) (2)	44012361	4179474	48191835	19.05	47420876	4071724	51492600	20.36	1.31
Total Public Shareholding									
Group (B)	51581004	14387924	65968928	26.07	61541994	4075724	65617718	25.94	-0.13
C. Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	238612076	14387924	253000000	100	248924276	4075724	253000000	100	

(ii) Shareholding of Promoters

Sl. No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ Encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ Encumbered to total shares	
1.	Beaver Engineering and Holdings Private Limited	143059443	56.55	0.00	143059443	56.55	0.00	0.00
2.	Dr. A J Prasad	27654500	10.93	0.01	27654500	10.93	0.00	0.00
3	Mrs. Kavita Prasad	9042332	3.57	0.00	9042332	3.57	0.00	0.00
4.	AdvayBhagirath Mikkilineni	3917600	1.55	0.00	3917600	1.55	0.00	0.00
5.	Mr. MSS Srinath	1826010	0.72	0.00	1826010	0.72	0.00	0.00
6.	MikkilineniDeeksha	1531187	0.61	0.00	1531187	0.61	0.00	0.00
7.	Barclays Wealth Trustees India Private Limited - Trusettee for Aluru Family Private Trust and Mikkilineni Family Private Trust	0.00	0.00	0.00	351210	0.14	0.00	0.14
	Total	187031072	73.93	0.01	187382282	74.06	0.00	0.14

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	At the beginning of the year	-	-	-	-
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): Acquired 351210 from secondary market on 21.11.2014	-	-	352210	0.14
3.	At the end of the year	-	-	351210	0.14

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl.No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Reliance Capital Limited	14360000	5.68	7350000	2.91
2.	HDFC Trustee Company Limited - HDFC Infrastructure	-	-	6526301	2.58
3.	VipulAjitkumar Dave	-	-	702623	0.28
4.	Kotak Mahindra Investments Ltd	-	-	694221	0.27
5.	HDFC Trustee Company Limited - HDFC Prudence Fund	-	-	520000	0.21
6.	Ajay Upadhyaya	350000	0.14	500000	0.20
7.	Antara India Evergreen Fund Ltd	-	-	500000	0.20
8.	Kanuri Family Trust	492207	0.19	492207	0.19
9.	Bang Equity Broking Pvt. Ltd.	-	-	489661	0.19
10.	VC Corporate Advisors Private Limited	-	-	365282	0.14

*The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

i. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Folio/ Beneficiary Account no	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
					No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	IN303559- 10011800 And IN301305- 70030772	Dr. A J Prasad	01.04.2014	At the beginning of the year	27654500	10.93	27654500	10.93
			31.03.2015	At the end of the year			27654500	10.93
2	IN303559- 10001666	Mrs. Kavita Prasad	01.04.2014	At the beginning of the year	9042332	3.57	9042332	3.57
			31.03.2015	At the end of the year			9042332	3.57
3	IN303559- 10001640	Mr. MSS Srinath	01.04.2014	At the beginning of the year	1826010	0.72	1826010	0.72
			31.03.2015	At the end of the year			1826010	0.72

i. Indebtedness : ₹ in lakhs

Indebtedness of the Company including interest outstanding / accrued but not due for payment as at 31.03.2015

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	14369.00	15493.43	-	29862.43
ii. Interest due but not paid				
iii. Interest accrued but not due	118.82	-	-	118.82
Total (i+ii+iii)	14487.82	15493.43	-	29981.25
Change in indebtedness during the financial year				
- Addition	10495.01			10495.01
-Reduction	14434.74	371.60		14806.34
Net Change	10548.09	15121.83		25669.92
Indebtedness at the end of the financial year				
i. Principal Amount	10548.09	15121.83		25669.92
ii. Interest due but not paid				
iii. Interest accrued but not due	66.95			66.95
Total (i+ii+iii)	10615.04	15121.83		25736.87

i. Remuneration of Directors And Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount Rs.
		Dr. A J Prasad	Mr. MSS Srinath	Mrs. Kavita Prasad (upto 14 Feb 2015)	
1	Total Salary (Rs.)	41,28,000	18,36,000	15,30,000	74,94,000
2.	Commission on profit (Rs.)	1,13,14,000	-	-	1,13,14,000
	Total	1,54,42,000	18,36,000	15,30,000	1,88,08,000

B. Remuneration to other directors: (Refer Corporate Governance Report for details)

Amount in Rs.

Sl. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Commission	Others	Total Amount
1	Independent Directors				
	Mr. P Ganapathi Rao	16000	-	-	16000
	Mrs. PreetiKhandelawal	12000	-	-	12000
2	Other Non-Executive Directors				
	Mr. Sanjiv Singhal	8000	-	-	8000
	Mr. Ajay BhaskarLimaye	8000	-	-	8000
	Mr. VVS Ravindra	4000	-	-	4000
	Mr. J Vidyashankar	4000	-	-	4000
	Total	52,000	-	-	52,000

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount Rs. in Lacs
		Mr. MVSS Kumar Company Secretary	Mr. K Mahidhar Vice-President (Finance)	
1	Total Salary (Rs in lacs)	24.75	30.00	54.75
	Total	24.75	30.00	54.75

i. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.

FORM No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

(Pursuant to Section 204 (1) of the 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
Hyderabad

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 ("the Company") (CIN: 40109TG1986PLC006745). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate Conducts / Statutory Compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, thereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner reported hereinafter.

- I. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of—
 1. The Companies Act, 1956 and the Rules made under that Act and the Companies Act, 2013 and the Rules made under the Act to the extent notified and applicable vide various notifications, circulars, orders, amendments and clarifications issued by Ministry of Corporate Affairs from time to time and applicable covering the period of audit;
 2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made under that Act;
 3. The Depositories Act, 1996 and the Regulations and Bye-laws framed under that Act;
 4. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made under that Act to the extent applicable to Overseas Direct Investment (ODI), Foreign Direct Investment (FDI) and External Commercial Borrowings (ECB);
 5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The SEBI (Prohibition of Insider Trading) Regulations, 1992 and further amendment vide notification dated 15th January 2015;
 - The SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and
 - The SEBI (Issue and Listing of Debt Securities) Regulations, 2008.
 - The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 6. The Equity Listing Agreements with BSE Limited and National Stock Exchange of India Limited; and
 7. The Memorandum and Articles of Association.
- II. I further report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 and the Rules made under that Act and the Companies Act, 2013 and the Rules made under the Act to the extent notified and applicable vide various notifications, circulars, orders, amendments and clarifications issued by Ministry of Corporate Affairs from time to time and applicable covering the period of audit and the Memorandum and Articles of Association of the Company, with regard to:
 1. Maintenance of various statutory registers and documents and making necessary entries therein;
 2. closure of the Register of Members / Debenture holders;
 3. forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
 4. service of documents by the Company on its Members, Debenture holders, Debenture Trustees, Auditors and the Registrar of Companies;
 5. notice of Board meetings and Committee meetings of Directors were sent not less than 7 days in advance by electronic means;

6. the meetings of Directors and Committees of Directors including passing of resolutions by circulation;
 7. the 28th Annual General Meeting held on 27th December 2014 after obtaining necessary approval from the Registrar of Companies, Hyderabad on 22nd August 2014;
 8. minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 9. approvals of the Members, the Board of Directors, the Committees of Directors, wherever required;
 10. Constitution of the Board of Directors/Committee(s) of Directors, appointment, retirement and re-appointment of Directors.
 11. payment of remuneration to Directors including the Managing Director and Whole-time Directors;
 12. appointment and remuneration of Auditors and Cost Auditors;
 13. transfers and transmissions of the Company's shares and debentures, and issue and dispatch of duplicate certificates of shares;
 14. payment of interest on debentures and redemption of debentures;
 15. declaration and payment of dividends;
 16. There was a delay in depositing the unpaid/unclaimed dividend amount for the financial year 2006-2007 in to the Investor Education and Protection Fund during the financial year.
 17. borrowings and registration, modification and satisfaction of charges wherever applicable;
 18. investment of the Company's funds including inter-corporate loans and investments and loans to others;
 19. form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
 20. Directors' report;
 21. contracts, common seal, registered office and publication of name of the Company; and
 22. Generally, all other applicable provisions of the Act and the Rules made under the Act.
- III. I further report that:
1. The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings / debenture holdings and directorships in other companies and interests in other entities;
 2. the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
 3. the Company has obtained all necessary approvals under the various provisions of the Act; and
 4. There was no prosecution initiated and / or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guide lines framed under these Acts against/on the Company, its Directors and Officers.
- IV. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
- V. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Bye-laws framed there under by the Depositories with regard to dematerialization / dematerialization of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.
- VI. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable to ODI in Wholly Owned Subsidiaries and Joint Ventures.
- VII. I further report that:
1. The Company has complied with the requirements under the Equity Listing Agreements entered in to with BSE Limited and National Stock Exchange of India Limited;
 2. the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the said Regulations; and
 3. The Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and further amendment vide notification dated 15th January 2015 including the provisions with regard to disclosures and maintenance of records required under the said Regulations.
- VIII. I further report that based on the information received and records maintained there are 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.

Place: Hyderabad
Date : 14th August, 2015

Naresh Kumar Chanda
Practicing Company Secretary
Membership No. 6092
Certificate of Practice No. 8153

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR 2014-15

Company's Philosophy:

The Company follows the Principles of Corporate Governance:

1. VISION: HBL's vision is to organize India's engineering talent into a globally competitive business, whether in manufacturing or services. We want to become a learning organization to export technology from India. Our choice is for businesses with technological barriers and /or engineering intensity.
2. VALUES:
 - Fairness to all
 - Innovative spirit
 - Craftsmanship
 - Entrepreneurial opportunism
 - Development of individuals
 - Harmonious coexistence
3. THE HBL WAY:
 - To initially try to achieve the very best we can do, and then improve further.
 - Self-learning, like Ekalavya.
 - Compensation based on value added rather than seniority or qualifications.
 - Unconventional when convention comes in the way of business sense.
 - Pride in being Indian.

I. Board of Directors:

(A) Composition and Category of Directors

In pursuance of Clause 49 of the Listing Agreement the Board consists of 7 Directors of which 2 are Non-Executive Independent Directors, 3 Non-Executive Directors and 2 are Executive Directors, which includes the Chairman and Managing Director. There were four meeting held during financial year 2014-2015.

Name & Designation	Category	No of Meetings Attended during 2014-15	No of other Director-ships	Attendance at last AGM
Dr. A J Prasad Chairman & Managing Director	Promoter & Executive Director	4	1	Yes
Mr. MSS Srinath Whole Time Director	Executive Director	4	4	No
Mrs. Kavita Prasad Whole Time Director (upto 14.02.2015)	Executive Director	3	5	No
Mr. P Ganapati Rao Director	Non-Executive Independent Director	4	Nil	Yes
Ms. Preeti Khandelawal Director	Non-Executive Independent Director	3	Nil	No
Mr. V V S Ravindra Nominee Director of IDBI Bank Limited Nominee Director (up to 14.11.2014)	Non-Executive	1	Nil	NA
Mr. J VidyaShankar Nominee Director of IDBI Bank Limited (from 14.11.2014 till 05.06.2015)	Non-Executive	1	Nil	No
Mr. Sanjiv Singhal	Non-Executive Director	2	5	No
Mr. Ajay Bhaskar Limaye	Non-Executive Director	2	1	No

The Company shall continue to comply with the code of Corporate Governance in respect of Composition of the Board.

(B) Meetings of the Board of Directors:

The Board has met four times during the Financial Year. Besides the usual and necessary items placed before the Board, the minimum information as required under Annexure IA of Clause 49 of the listing agreement was also placed before the Board. The dates of the Board meeting are as under :

- i) 26.05.2014 ii) 14.08.2014 iii) 14.11.2014 iv) 14.02.2015

(C) CODE OF CONDUCT

The Board has laid down a Code of Conduct for all the Board members and Senior management of the Company and the same is posted on the website of the Company. All the Board members and Senior management personnel affirmed compliance with code of conduct on an annual basis and a declaration to this effect is signed by the Chairman and Managing Director.

II. Audit Committee

(A) Qualified and Independent Committee:

The Company has set up a qualified and independent Audit Committee in terms of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013. The Audit Committee consists of four members out of which two are Independent Directors including the Chairman. The Chairman of the Committee and other members are professionals in their respective field of activity with vast experience, having in-depth financial and accounting knowledge. The Chairman of the Audit Committee was present at the previous Annual General Meeting. Vice President – Finance, Mr. K. Mahidhar was an invitee to the meetings. The Company Secretary of the Company is the Ex-Officio Secretary of the Audit Committee.

The table lists the members of the Audit Committee, changes therein and attendance particulars:

Name of the Director	Status	Membership Status	No. of meetings attended during 2014-15
Mr. P Ganapati Rao	Member & Chairman of the Committee	Independent Director	4
Mrs. Kavita Prasad (upto 14.02.2015)	Member	Executive Director	3
Mr. V V S Ravindra (up to 14.11.2014) Nominated by IDBI	Member	Non-Executive Director	1
Mr. J Vidyashankar (From 14.11.2014)Nominated by IDBI	Member	Non-Executive Director	1
Ms. Preeti Khandelwal	Member	Independent Director	3

(B) MEETINGS OF THE AUDIT COMMITTEE

The Committee met four times (4 meetings) during year on 26th May, 2014, 14th August, 2014, 14th November, 2014 and 14th February, 2015 respectively.

(C) POWERS AND ROLE OF THE AUDIT COMMITTEE

The terms of reference of the Audit Committee are broadly as under:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommend the appointment, remuneration and terms of appointment of auditors of the Company including cost and secretarial auditors;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditors' report thereon before submission to the board for approval, with particular reference to:
- Matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section 3 of section 134 of the Act
- Changes, if any, in accounting policies and practices and reasons for the same Major accounting entries involving estimates based on the exercise of judgment by management

- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- Qualifications in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (such as public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
- To review the functioning of whistle blower mechanism.
- Approval of appointment of CFO;
- The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
- Carrying out any other function as is mentioned in the terms of reference of the audit committee;
- Oversee financial reporting controls and process for material subsidiaries;
- Oversee compliance with legal and regulatory requirements for the company and its material subsidiaries;
- To mandatorily review the following information:
 - Management discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the chief internal auditor.

(D) SUBSIDIARY COMPANIES

The Company is not falling under any of the criteria prescribed under clause 49 of the listing agreement hence no disclosure is required to be made.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' relationship committee comprises Mr P Ganapathi Rao as the Chairperson, Mr. MSS Srinath and Mrs. Preeti Khandelwal as members of the Committee. The Stakeholders' relationship committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to share transfers, non-receipt of annual reports, dividend payments, issue of duplicate certificates, transmission (with and without legal representation) of shares and other miscellaneous complaints. During the year under review, Thirteen meetings were held.

The composition of the Investors' Grievance Committee and attendance at its meeting is as follows. Mr. MVSS Kumar, Company Secretary is the Compliance Officer.

Name of the Director	Status	Membership Status	No. of meetings attended during 2014-15
Mr. P Ganapati Rao	Member & Chairman of the Committee	Independent Director	13
Mrs. Kavita Prasad (upto 14.02.2015)	Member	Executive and Non-Independent Director	10
Mr. MSS Srinath (From 14.02.2014)	Member	Executive and Non-Independent Director	2
Ms. Preeti Khandelwal	Member	Independent Director	12

Details of Investor Complaints/ Queries during the year 2014-15

Sl. No.	Nature of Complaints /Query	Opening Balance	During the year		Closing Balance
			Received	Resolved	
1	Non-receipt of Dividend Warrants	Nil	12	12	Nil
2	Non-receipt of Securities	Nil	19	19	Nil
3	Non-receipt of Share Certificates after Transfer	Nil	Nil	Nil	Nil
4	Non-receipt of Refund Orders	Nil	Nil	Nil	Nil
	TOTAL	Nil	31	31	Nil

NOMINATION AND REMUNERATION COMMITTEE

The Remuneration Committee of the Company is empowered to review the remuneration of the Chairman and Managing Director and the Executive Director, 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 broad terms of reference of the nomination and Remuneration Committee are as under:

- Recommend to the board the set up and composition of the board and its committees. including the "formulation of the criteria for determining qualifications, positive attributes and independence of a director". The committee will consider periodically reviewing the composition of the board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the board the appointment or reappointment of directors.
- Devise a policy on board diversity.
- Recommend to the board appointment of key managerial personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this committee).
- Carry out evaluation of every director's performance and support the board and independent directors in evaluation of the performance of the board, its committees and individual directors. This shall include "formulation of criteria for evaluation of independent directors and the board".

- Recommend to the board the remuneration policy for directors, executive team or key managerial personnel as well as the rest of the employees.
- On an annual basis, recommend to the board the remuneration payable to the directors and oversee the remuneration to executive team or key managerial personnel of the Company.
- Oversee familiarisation programmes for directors.
- Oversee the human resource philosophy, human resource and people strategy and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the board, key managerial personnel and executive team).
- Provide guidelines for remuneration of directors on material subsidiaries.
- Recommend to the board on voting pattern for appointment and remuneration of directors on the boards of its material subsidiary companies.
- Performing such other duties and responsibilities as may be consistent with the provisions of the committee charter.

The Remuneration Committee was reconstituted with three Non-Executive Independent Directors (including the Chairman of the Committee Mr. P Ganapathi Rao). There is no revision in remuneration during the year. The composition of the Remuneration Committee and attendance at its meeting is as follows:

Name of the Member	Status	Number of Meetings held	No. of meetings attended
Mr. P Ganapati Rao	Chairman	1	1
Mr. Sanjiv Singhal (from 14.02.2015)	Member	1	1
Ms. Preeti Khandelwal	Member	1	1

Directors' Remuneration for the year 2014-15

Name of the Director	Designation	Remuneration Paid for the year (Rs.)
Dr. A J Prasad	Chairman and Managing Director	41,28,000
Mr. MSS Srinath	Whole-Time-Director	18,36,000
Mrs Kavita Prasad	Whole-Time-Director (upto 14 February 2015)	15,30,000
Total		74,94,000
Add: Commission on profit to Dr. AJ Prasad		113,14,000
Grand Total		188,08,000

Mrs. Kavita Prasad, Director has been paid Rs.5.80 lakhs as rental charges for the premises owned by her, which was under lease to the Company.

Non-Executive and Independent Directors were paid sitting fees for the Board meetings in 2014-15.

Name of Directors	Meetings Held	Meetings Attended	Sitting Fees Paid. In Rupees
Mr. P.Ganapathi Rao	4	4	16,000
Ms. Preeti Khandelwal	4	3	12,000
Mr. V V S Ravindra	4	1	4,000
J Vidyashankar	4	1	4,000
Mr. Sanjiv Singhal	4	2	8,000
Mr. Ajay Bhaskar Limaye	4	2	8,000
Total			52,000

Venue and Time of the last three Annual General Meetings

Date	Venue	Time	No. of Special Resolution
December 27, 2014	Federation of Telangana & AP Chambers of Commerce & Industry, Red Hills, Hyderabad-500 004	4.00 pm	2
September 28, 2013			NIL
December 24, 2012			1

The resolutions were passed on show of hands, ballot and thru e-voting with requisite majority.

III. Other Disclosures

Postal Ballot

No resolution has been passed by postal ballot during the reporting period.

Risk Management

The Board has been very meticulous in making aware all the members about the potential hazards that the company can be exposed to. It is this meticulous functioning and close monitoring that the company has a distinct advantage of reducing the hazards be it a Business or Financial risk or Legal and Statutory risk or a Management risk. In fact the very Philosophy of the Corporate Governance vouches the effort in imparting the right education and management practices at functional level.

Prevention of Insider Trading - Code of Conduct

The Company has framed a Code for Prevention of Insider Trading based on SEBI [Insider Trading] Regulations, 1992. This code is applicable to all Directors, Designated Senior Management personnel of the Company. The code ensures the prevention of dealing in shares by persons having access to unpublished price sensitive information.

Disclosures:

Related Party Transactions:

There are no materially significant related party transactions having potential conflict with the interests of the Company. However all the related party transactions required to be disclosed as per AS 18 are given in the annual accounts for the year under review.

Shareholding of Non-Executive Directors

No non-Executive Director has any shares in the Company.

Compliances by the Company:

The company has complied with the requirements of the Stock Exchange, SEBI and other statutory authorities on all matters related to capital market. There were no non-compliance issues raised either by SEBI or Stock Exchanges for the transactions of the Company during last three years.

Whistle Blower Policy:

The Company has a general Whistle Blower Policy.

Non-Mandatory Requirement:

The company has not adopted the non-mandatory requirements as specified in annexure 1D of clause 49 of the Listing Agreement.

Means of Communications

The Company displays its financial results on websites at www.hbl.in for the information of shareholders and public. The financial results of the Company are usually published in Business Line in English version and Andhra Prabha or other vernacular papers in Telugu.

In accordance with Clause 51 of the Listing Agreement the Company has displayed the Shareholding pattern, Quarterly/ Annual Financial results, Annual report and other compliances as required under the corporate governance guidelines on the Electronic Data Information Filing and Retrieval (EDIFAR) System website at: www.sebidifar.nic.in maintained by National Informatics Centre (NIC) up to 31.03.2015.

General Shareholder Information :

1.	Forthcoming Annual General Meeting Date, Time & Venue	:	29 th September, 2015 at 4.00 p.m. KLN Prasad Auditorium, Federation of Telangana & AP Chambers of Commerce and Industry, Red Hills, Hyderabad – 500 004
2.	Financial Calendar Year Financial Reporting: First quarter ending 30/6/14 Half-year ending 30/9/14 Third quarter ending 31/12/14 Audited Annual Results	:	Financial year 2014-15 14 th August, 2014 14 th November, 2014 14 th February, 2015 Standalone : 29 th May, 2015 Consolidated : 14 August 2015
3.	Dates of Book-Closure	:	23 September 2015 to 29 September 2015 (Both days inclusive)
4.	Dividend	:	Dividend on equity share Capital @ 20%
5.	Registered Office	:	8-2-601, Road. No.10, Banjara Hills, Hyderabad- 500034
6.	Secretarial Office	:	Sy.No.26, Kubera Towers, Trimulgherry, Secunderabad - 500 015 Contact person: Company Secretary Phone : 040-27791641, Fax : 040-27795419 E-mail : contact@hbl.in ; investor@hbl.in
7.	Registrars for Electronic Transfer and Physical Transfer of Shares	:	M/S Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. Tel : +91 040 67161530 E-mail : mailmanager@karvy.com
8.	Plant Locations	:	1. Aliabad(V), Shameerpet(M), RR Dist., TS 2. Nandigoan(V), Kothur(M), Mahabubnagar Dist., TS 3. Seripally (V), Bhoothpur,(M) Mahabubnagar Dist., TS 4. Kandivalasa(V), Posapatirega(M), Vizainagaram Dist., AP 5. VSEZ, Visakhapatnam, AP 6. Thumkunta(V), Shameerpet(M), RR Dist, TS 7. Haridwar, Uttarakhand 8. IMT, Manesar, Haryana
9.	Listing on Stock Exchanges	:	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
10.	Stock Code-BSE : BSE/ NSE Trading name Demat ISIN number:	:	517271/ HBLPOWER INE 292BO1021

Distribution of Shareholding as on 31st March 2015 is as follows:

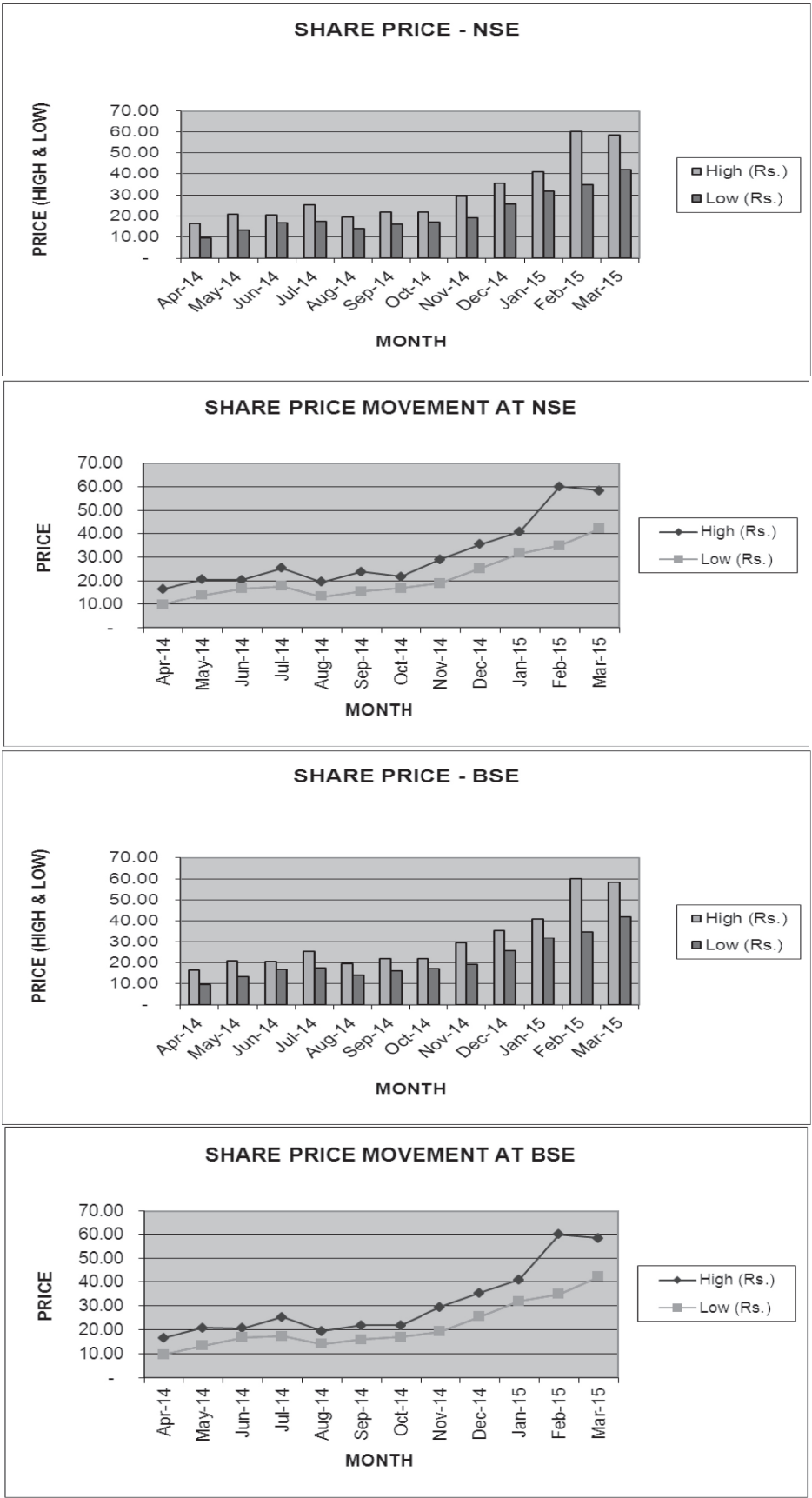
Sl. No.	Category	No. of Shareholders	% of shareholders	Amount Rs.	% Amount
1.	Upto 1 -5000	21331	95.37	15307964	6.05
2.	5001- 10000	514	2.30	4047590	1.60
3.	10001- 20000	223	1.00	3353157	1.33
4.	20001- 30000	87	0.39	2254677	0.89
5.	30001 - 40000	44	0.20	1570133	0.62
6.	40001- 50000	42	0.19	1991367	0.79
7.	50001- 100000	58	0.26	4394069	1.74
8.	100001 & above	67	0.30	220081043	86.99
	TOTAL	22366	100.00	253000000	100.00

Distribution of Shareholding as on 31st March 2015:

Shareholder Category	No. of Shares held	% of Shares held
a. Indian Promoters and relatives	18,73,82,282	74.06
b. Foreign Promoters	Nil	Nil
c. Foreign Collaborator	Nil	Nil
d. Others (Public, Bodies Corporate, etc.)	6,56,17,718	25.94
Total	25,30,00,000	100.00

Stock Market Price Data during 2014-15

Month	BSE Limited			National Stock Exchange		
	Price (Rs.)		No. of Shares traded	Price (Rs.)		No. of Shares traded
	High	Low		High	Low	
Apr-14	16.58	9.75	12,42,751	16.70	9.70	43,41,676
May-14	20.75	13.25	11,37,352	20.65	13.90	38,15,834
Jun-14	20.60	16.80	9,90,297	20.50	16.80	33,04,340
Jul-14	25.35	17.30	18,27,758	25.45	17.90	69,44,063
Aug-14	19.45	14.10	6,90,434	19.50	13.40	26,80,347
Sep-14	21.85	15.95	13,52,583	24.00	15.60	49,03,984
Oct-14	21.85	17.00	4,38,520	21.75	17.05	15,63,461
Nov-14	29.40	19.25	40,98,564	29.20	19.10	1,17,84,144
Dec-14	35.45	25.55	1,93,20,989	35.50	25.35	4,63,29,822
Jan-15	40.90	31.90	1,31,79,942	40.85	31.70	3,21,20,631
Feb-15	59.95	34.90	2,49,59,863	60.00	35.00	6,44,91,408
Mar-15	58.35	42.10	62,21,247	58.25	42.10	1,70,44,006



Unclaimed Dividend:

The Company has transferred the balance of unclaimed dividend amount of Rs.2,14,714/- for Financial Year 2006-2007 to the Central Government's Investor Education and Protection Fund (IEPF) account on 25th April 2015. We insist the members to claim, as early as possible, the dividend amount remain in the Company's unpaid dividend accounts for the respective years mentioned hereunder. Please note that upon expiry of the statutory period of Seven years as indicated in the last column of the table below, the amount shall be liable for transfer to IEPF, Government of India, thus the entitlement for any such claims would have to be forfeited thereafter.

AGM in which Dividend was declared	Date of Declaration Of Dividend	Rate of Dividend	Total Dividend in ₹	Book Closure / Record Date	Unclaimed Dividend as on 31.03.2015 In ₹	Date for transfer to IEPF
22nd	04.09.2008	15%	3,64,19,662	01.09.2008 to 04.09.2008	3,02,049	11.10.2015
23rd	17.09.2009	30%	7,28,38,665	10.09.2009 to 17.09.2009	5,48,129	24.10.2016
24th	27.09.2010	30%	7,59,00,000	22.09.2010 to 27.09.2010	5,40,233	03.11.2017
25th	05.09.2011	10%	2,53,00,000	31.08.2011 to 05.09.2011	2,63,693	12.10.2018
26th	24.12.2012	15%	3,79,50,000	18.12.2012 to 24.12.2012	4,68,566	30.01.2020
27th	28.09.2013	15%	3,79,50,000	23.09.2013 to 28.09.2013	4,12,950	04.11.2020
28th	27.12.2014	20%	5,06,00,000	20.12.2014 to 27.12.2014	5,82,821	02.02.2022

Share Transfer System

Share Transfers in physical form can be lodged with Karvy Computershare Private Limited at the above mentioned addresses. The transfers are normally processed within 10-12 days from the date of receipt if the documents are complete in all respects.

Dematerialization of shares and liquidity as on 31.03.2015:

Form of existence	Agency Holders	No. of	No. of Shares	% of Total Issued Capital
Dematerialized	Central Depositories Securities Limited	7,571	3,86,43,666	15.27
-do-	National Securities Depositories Limited	11,601	21,02,50,720	83.10
Physical		3,194	41,05,614	1.62
Total		22,366	25,30,00,000	100.00

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.

There are no outstanding GDRs, ADRs, Warrants or Convertible Instruments etc. as on 31st March, 2015

CEO and Finance Head Certification

The certificate from Chairman and Managing Director and Vice President-Finance of the Company regarding Compliance under clause 49 of the Listing agreement is annexed.

Compliance Certificate:

The Certificate on Compliance with Corporate Governance by the Company from Practicing Company Secretary as required under Clause 49 of the Listing Agreement is annexed.

For and on behalf of the Board

Place: Hyderabad
Date: 14 August 2015

Dr A J Prasad
Chairman & Managing Director

IMPORTANT COMMUNICATION TO MEMBERS

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

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

DECLARATION

As provided under clause 49 of the Listing Agreement with Stock Exchanges, the Board Members and the Senior Management personnel have affirmed to the compliance with Code of Conduct for the year ended 31st March, 2015.

For and on behalf of the Board

Place: Hyderabad
Date: 14 August 2015

Dr A J Prasad
Chairman & Managing Director

CEO AND FINANCE HEAD CERTIFICATION

We, A J Prasad, Chairman and Managing Director and Mr. K. Mahidhar, Vice President - Finance, responsible for the financial functions certify that:

- a) We have reviewed the financial statements and cash flow statement and to the best of our knowledge and belief;
 - i) These statements do not contain any material untrue statements or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2015 are fraudulent, illegal or volatile of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal control for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the Statutory Auditors and Audit Committee and steps have been taken to rectify these deficiencies.
- d)
 - i) There has not been any significant changes in internal control over financial reporting during the year under reference.
 - ii) There has not been any significant changes in accounting policies requiring disclosure in the note forming part of Financial statement; and
 - iii) We are not aware of any instance during the year of any significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Hyderabad
Date : 14 August 2015

K Mahidhar
Vice-President - Finance

Dr A J Prasad
Chairman and Managing Director

**CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To
The Members of
M/s HBL Power Systems Limited

I have examined the compliance of conditions of corporate governance by HBL Power Systems Limited for the year ended 31st March 2015 as stipulated under Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. 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, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

I state that no investor grievances are pending for a period exceeding one month against the Company as per the record maintained by the Shareholders / Investors Grievance Committee.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Hyderabad
Date : 14 August 2015

Naresh Kumar Chanda
Practicing Company Secretary
Membership No. 6092
Certificate of Practice No. 8153

MANAGEMENT DISCUSSION AND ANALYSIS 2014 – 15

Short Historical Background

HBL was started as a small scale industry in 1977. The vision was to organize India's engineering talent, into a research based manufacturing company and also succeed as an exporter in products with engineering intensity.

The first domain chosen for technology development was specialized batteries. Over the years HBL has developed technology in-house for a wide range of specialized batteries for aviation, defence, railways, telecom and industry, and is now globally recognized in this field.

The second domain chosen for technology development was industrial electronics. The target markets chosen were "adjacent"; known to HBL because the customers already used HBL batteries. Initially focused on power electronics to charge batteries, this later grew into products for rail signaling, solar PV related applications, BLDC motors. (An early failure was Rectifiers for Telecom cell towers.) The company's position in this domain will need a few more years to become established, but the signs are all encouraging.

As India reformed, other opportunities that did not need in-house technology arose; these were taken up in line with the HBL value of "entrepreneurial opportunism", as long as they were in the domain of Engineering. Defence projects and Spun Concrete are two such engineering businesses where in-house technology development was not the key. Spun Concrete products is now a good business, but defence projects are yet to start.

Reasons Behind FY 11 – FY 14 Crisis

It is common even for established companies to report fluctuating results. While HBL results also fluctuated, the fiscal years FY 11 to FY 14 were crisis years. The crisis arose from three independent negatives occurring at the same time:

- Demand for Telecom Tower Batteries declined sharply due to various reasons (it picked up only in FY 2015). This was the largest contributor to sales.
- Demand for Rail Signaling and Defence Projects, on which large investments were made, did not materialize at all. Term debt, used to finance this, led to severe stress on cash flow, with resulting problems which are commonly known. However, the assets on land and buildings are still useful.
- Operational Management of the Lead Battery group suffered due to errors in judgment on people appointed to / allowed to continue, in key positions. The company's efforts to grow by strategic investments in other businesses were, as a group, profitable; but the cost of management being thus distracted was also high. In retrospect, the net impact was negative.

1. Management's Response to FY11 – FY 14 Crisis

The last line in the Management Discussion and Analysis for 2013 – 2014 had said that : "HBL management has become stronger from our crisis, and results will soon follow".

Beginning around April 2014, management had initiated a number of steps (particularly in the Lead Battery Group) :

- Improving the calibre of Operations Management by recruitment.
- Inventory reduction by more careful production planning and disposal of unusable material.
- Better procurement (including some e-auctions).
- Obtaining better prices where this was possible.
- Emphasis on credit control and on collections.
- Operations efficiency to reduce wastage in production.
- Design changes in product to reduce cost and improve quality.

2. Interim Progress upto 30.6.2015

These efforts for improving profitability and strengthening the company continue. On several measures, results of these efforts are already visible.

- Profit from operations in FY 15 was Rs 40 crs Versus a loss of over Rs. 4 crs in FY 14.
- Sales were sustained; Rs 1330 crs Versus Rs 1280 crs.
- Interest costs are lower in FY 15 by Rs 5.1 crs, compared to FY 14.
- Inventories are lower by Rs 88 crs. By 31st March 2017, our ratios should be on par with engineering industry average.
- Term debt is lower by Rs 38 crs. By 31st, March 2017, Term Debt should be a very small percentage of Net Worth.
- White collar Manpower lower by 12%
- Sales in Q1 FY 15 were Rs 304 crs Versus Rs 285 crs for Q1 of FY 14
- Profit in Q1 of FY 15 was Rs 6.7 crs Versus loss of Rs 17.34 crs for Q1 of FY 14

3. Re-Organisation of the Company

HBL's organization structure is being changed gradually to reflect two needs : succession planning for the medium term, and increased attention to operational efficiency in the short term.

The company is being organized into Groups, and this transition will be completed by March, 2017. Operating Groups will have Divisions; and Divisions will have Business Units. The Groups and Divisions currently envisaged are shown below; but minor changes may occur.

Batteries Group	Engineering Group	Corporate Group
• Lead Batteries 2V	• Electronics	• Exports
• Lead Batteries 12V	• Defence	• Finance
• Specialised Batteries	• Engineering	• Accounts
		• HR & Admn

In FY 15, the Batteries Group accounted for 86% of sales.

The Batteries and Engineering Groups are already headed by professionals who are operating as COOs. On 1st April, 2017 they are expected to become CEOs of the two Groups. The CMD will continue as Chairman to provide continuity and the entrepreneurial focus, but not as Managing Director.

4. Growth Opportunities and Investments

The company has opportunities for rapid growth in the following domains.

- Lead Batteries, both Domestic and Exports (FY 17). Imported equipment for scaling up production capacity of Lead Batteries has been ordered to prepare for this.
- Nickel Cadmium Aircraft Batteries (exports) (FY 18). Facilities are being established at the Visakhapatnam Special Economic Zone, and in HBL America.
- Rail Electronic Signaling Systems (FY 17). Additional Investments are minor.
- Defence Make In India opportunities (FY18). Several large opportunities are being pursued, and even if a few fructify, growth will be rewarding. Significant amount of Capital may be needed in FY 17 & FY 18.
- Industrial Electronics for Solar PV Systems (FY 18). Additional Investments are minor.

5. BATTERIES GROUP

a) Lead Batteries 2 V Division

i) Cellular Telecom

HBL has been one of the two leading suppliers to this market, and has been serving the total customer base including infrastructure companies, infrastructure integrators, switch manufacturers and operators. The successful spectrum auction in 2015, the advent of 4G, continuing growth in data services through 3G and telecom penetration to rural areas (under universal service obligation) is expected to sustain the growth in telecom demand. This growth is expected to be further aided by the recent decision of the central government to spin off the tower infrastructure of BSNL as a subsidiary, which will provide greater opportunity to private operators to leverage the tower network of BSNL for better access to rural market. The need for micro BTS to support 4G and to eliminate much needed call drops is likely to stimulate additional demand – for both small and large VRLA batteries.

ii) Submarine Batteries

HBL finally obtained qualification for supplies from the Indian Navy.

b) Lead Batteries 12 V Division

i) Data Centers

Continuing need for power back-up and thus the demand for batteries for data centers is aided by sustained growth in ITES, BFSI, e-retailing and services industries. Together, this provides enough opportunity for HBL to participate in the industrial UPS battery business.

A technically superior battery – Pure Lead Tin (PLT) had been developed by HBL, who is the only manufacturer in India. The trend in data centers is for more energy efficient batteries which need to provide very high current for short duration; PLT is the best product for such application. HBL is in the process of establishing PLT in this segment; the size of this opportunity is bigger than the telecom segment.

ii) Engine Starting Batteries

HBL is making good progress in Diesel Engine (DG) starting battery segment with its speciality PLT batteries in both AGM and Vented version. HBL plans to be a significant player in this segment backed by its growing association with leading DG and Heavy Earth Moving Equipment manufacturers, supplies to telecom tower companies and the replacement market.

Widened the export market for PLT battery in battle tank application. Received commercial order from Heavy Vehicle Factory, Avadi for MBT Arjun tanks for the Indian army. Received commercial order from Volvo Renault-France for military trucks.

iii) Vehicle Batteries

HBL is keen to make an entry into the large and growing 2W replacement market and in the emerging market for e-rickshaws. HBL has completed the development of two wheeler (2W) AGM battery range and batteries for e-rickshaws; these batteries are under field trial.

iv) New Lead 12V Battery Markets being developed

HBL continues to invest resources, in improving its products and processes and for developing products for niche application and markets. Some examples are:

- Received an order from Siemens for a battery system for express trains in Germany.
- Developed high energy density battery for GE Health Care.

c) Specialised Batteries Division

- A sharp decline in the global oil prices has resulted in significant reduction in capital investments by the Oil companies globally. This has temporarily reduced their demand for Nickel Cadmium Batteries.
- HBL has been successful in the market for Metro Coach Batteries in India. Awarded Kochi Metro order for onboard application for supply of Nickel Cadmium Batteries. This adds to HBL's Ni-Cd presence in Metro applications in India, adding to existing fleet in Delhi, Jaipur & Kolkata metros and Mumbai.
- Got large extension order for supply of Ni-Cd Batteries for key SCADA application in Delhi Metro Phase –III extension project & for Kochi Metro from L&T, Siemens, IRCON and Alstom.
- Arrangements are under implementation for making Nicad Aircraft Batteries in the USA, for sale there and in other markets.

6. Engineering Group

a) Electronics Division

FY15 saw several product development projects in Railway Signaling like Train Collision Avoidance System, Electronic Interlock and Digital Axle Counter reach important milestones that will allow them to be commercialized in FY16. Tenders are expected late in FY 16 and sales should commence FY 17.

b) Defense Division

Consistent with the policy of the new government to encourage indigenous production of critical military equipment, HBL was awarded contracts for development of specialized batteries and propulsion motors for Heavy Weight Torpedos in FY 16. These are engineering challenges and success of these projects, will make HBL one of the few companies in the world with these technologies. The award of these contracts reinforces the perception of HBL as a true engineering company and will have spin off benefits.

c) Engineering Division

Until now, HBL was supplying only batteries for rolling stock applications in India and abroad. HBL is now moving up the value chain by acquiring capability to supply DC Power Systems that include batteries, ruggedized enclosures, electrical equipment etc. Towards this goal, HBL acquired a critical welding qualification to comply with stringent European standards. This will allow HBL to expand the scope of products and services that can be offered to European customers, and thus build credibility to participate in the huge backlog of demand for electric rail mobility in India itself.

HBL has designed and developed a BLDC motor for electric rickshaws. This has been approved by ICAT – Manesar and is competitive in cost with imported Chinese motors.

Spun reinforced Concrete Products. A third plant is under erection in Andhra Pradesh and will be in production early in 2016.

7. Overview

The financial years 2014 – 15, and 2015 – 16, have been generally recognized as difficult for Indian Engineering Industry, and HBL is not an exception.

Government expenditure on Defence and Railways (to both of which a lot of time & investment were allocated) has been below expected levels; but could improve as early as 2016 – 17, and more likely in 2017 – 18.

Exports have been encouraging because HBL's products are not commodities, and to this extent the company's core vision has proven to be robust.

In summary, Management sees the two years 2015 – 17 as a period of consolidation, to prepare for rapid and profitable growth from FY 18 onwards.

INDEPENDENT AUDITORS' REPORT

To the Members of
HBL Power Systems Limited, Hyderabad

Report on the Financial Statements

We have audited the accompanying standalone financial statements of HBL Power Systems Limited ("the Company"), which comprise the **Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended.**

Management's Responsibility 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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules 2014. This responsibility also includes 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 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.

Auditor's' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for Qualified Opinion

Reference is drawn to Note No.31. Some of the year end balances appearing under the heads referred to therein are subject to confirmation / reconciliation and consequential adjustments. In the absence of (a) Confirmation of Balances; (b) Cause wise analysis of such balances and (c) details of counter claims, if any, from the customers, we are not in a position to ascertain the quantum and its consequential overall impact on the financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph above*, the aforesaid standalone financial statements give the information required by 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 31st March, 2015, and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

- 1) We draw attention to Note 8.1 to Financial Statements which states that interest on delayed payments to parties, registered as MSME under the MSMED Act, 2006, is not provided for, as in the absence of any claim from the said parties, they are reckoned as 'not due' by the company.
- 2) We draw attention to Note 15.3 to Financial Statements in respect of repudiation, by the Insurers, of a claim made by the company, in respect of which the company had initiated legal action for recovery, the outcome of which is uncertain at this stage.

Our opinion is not qualified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 14 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 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, 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 *except for the disclosure to be made in pursuance of Accounting Standard AS-27, for the reasons detailed in Note No. 34.8.*
 - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) 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 No. 29 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. As on the date of the Balance Sheet, there was a delay in transferring Un-claimed / Un-paid Dividend amount. The amount of Rs. 2.15 lakhs relating to Financial Year 2006-07 which is required to be transferred, to the Investor Education and Protection Fund in November 2014 was actually transferred by the Company in April 2015.

For M/s. Satyanarayana & Co.
Chartered Accountants
Firm's Registration Number 036805

Ch. Seshagiri Rao
Partner
M.No. 18523

For M/s. Rao & Kumar
Chartered Accountants
Firm's Registration Number 030895

S.S.Bharadwaj
Partner
M.No. 26113

Place : Hyderabad
Date : 29th May 2015

**Annexure 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 year wise details of fixed assets acquired showing the relevant particulars including original cost at the time of acquisition. Based on such record of year wise additions the Company has compiled and built up the Fixed Assets Register showing original costs incurred, identification details etc., location-wise.
- (b) The management has carried out physical verification of assets in accordance with a designed programme. During the course of such physical verification certain discrepancies / differences, unserviceable items, scrapped items and non traceable items were noticed and have been properly dealt with in the books of account.
- (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 frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed, upon verification, between physical stocks and book records were not material and such differences have been properly dealt with in the books of account.
- (iii) (a) The company has, in the previous years, granted unsecured loans to one of its subsidiaries, the details of which, as on 31-3-2015, are as under:

Name of the Subsidiary Company	Balance on 31.03.2015 (Rs. in Lakhs)	Balance on 31.03.2014 (Rs. in Lakhs)	Maximum amount outstanding at any time during the year (Rs. in Lakhs)
SCIL Infracon (P) Ltd. (SIPL)	424.37	628.77	628.77

- (b) As on date an amount of Rs. 424.37 lakhs, representing Loan is overdue. We have been informed Interest on the above loan had been waived with effect from 1-4-2013. We are informed that reasonable steps are being taken by the Management to recover the overdue amounts.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for purchase of inventory and fixed assets and for the sale of goods and services. However, there is scope for further improving the internal control procedures in the areas relating to review of Vendors / Customers' Balances and Projects in progress. During the course of our audit, no major weaknesses in internal control have been noticed.
- (v) The company has not accepted any deposits.
- (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 (1) of the Companies Act, 2013 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 provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. Except for Service Tax of Rs.0.68 lakhs no such undisputed amounts payable were in arrears, as at 31.03.15 for a period more than six months from the date they became payable.

(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	Nature of the dues and Period to which it relates	Amount in Rs. lakhs	Forum where the the Dispute is as at 31.03.2015
Excise Act	Duty, Interest and Penalty on Intermediate goods emerged out of job works and used in the manufacture of exempted finished goods for the period from 1994-95 to 1998-99	94.85	Departmental Appeal before High Court, Mumbai
Excise Act	Penalty levied on Cenvat Credit disallowed for the year 2010-11.	5.00	Appeal Before CESTAT, Bengaluru.
Excise Act	Duty, Interest and Penalty for non-maintenance of separate CENVAT Account with respect to Input Services during April 2006 to March 2009.	186.28	Pending before Commissioner, Hyderabad.
Excise Act	Appeal against Departmental Order on Refund alleged to be wrongly granted in 2012-13.	24.37	Appeal Before CESTAT, Bengaluru
Excise Act	Duty on Job Work Charges Feb-Sept 2012.	20.31	Appeal Before CESTAT, Bengaluru
Excise Act	Duty on Job Work Charges Oct 12 - May 2013	27.03	Appeal Before CESTAT, Bengaluru
Excise Act	Dispute relating to alleged Irregular availment of Cenvat Credit for the period Dec-08 to Mar 14 and equal amount levied as penalty	375.92	Appeal being filed
Customs Act	Dispute relating to alleged evasion of duty by claiming wrong classification and exemption and equal amount levied as penalty.	488.70	Appeal being filed
Service Tax Act	Dispute with regard to Penalty levied on excess Input availed between April 2008 and December 2010.	8.51	Pending before Commissioner Appeals, Vizag.
CST Act	Dispute in Taxable Turnover relating to 3rd party exports for the year 2005-06.	35.49	Case pending before APSTAT.
KVAT Act	Dispute with regard to Penalty for stock difference during the year 2010-11.	12.04	Appeal filed before Dy. Commissioner (Appeals), Ernakulam.
TN VAT Act	Dispute regarding Input VAT availed and penalty on Capital Goods which were sold during February 2011.	46.05	Appeal filed before Appellate Deputy Commissioner(C), Chennai
AP VAT Act	Dispute regarding Input availed on LPG - during 2009-10	64.47	Appeal filed before Appellate Deputy Commissioner, Hyderabad
AP VAT Act	Dispute regarding Input availed on LPG- during 2010-11	65.19	Appeal filed before Appellate Deputy Commissioner, Hyderabad
AP VAT Act	Dispute regarding Input availed on LPG- during 2011-12	80.18	Appeal filed before Appellate Deputy Commissioner, Hyderabad

AP VAT Act	Dispute relating to disallowance of input credit on purchase of LPG for the year 2012-13	107.76	Appeal filed before Appellate Deputy Commissioner, Hyderabad
CST Act	Dispute in Taxable Turnover relating to 3rd party exports for the year 2007-08.	36.42	Case pending before TSSTAT, Hyderabad
CST, VAT and Entry tax Acts	Dispute relating to interest demand for alleged non-payment of assessed tax	18.85	Appeal pending before Joint Commissioner of Commercial Taxes, , Appeals, Patna
KVAT Act	Dispute relating to tax demanded on alleged undisclosed turnover for the year 2011-12	29.49	Appeal pending before Deputy Commissioner, Appeals, Ernakulam.
CST Act	Dispute relating to tax demanded for alleged non-submission of forms for the year 2010-11	0.56	Appeal pending before Commissioner Appeals, Lucknow.
Income Tax Act	For Asst. Year 2009-10, disallowance made and demand raised	65.08	Appeal before Commissioner of Income Tax (Appeals). Pending Dispute total tax was paid.

- (c) As on the date of the balance sheet *there has been delay in transfer of the amount of Rs. 2.15 lakhs* which is required to be transferred to Investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- (viii) The company has no accumulated losses and it has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of term loan installment and interest dues to financial institutions and Banks. The company had not issued any Debentures.
- (x) The Company has not given any guarantee for the loans taken by others from banks or financial institutions.
- (xi) Based on review of the records of the term loan drawn and utilization thereof on an overall basis, the loan funds have been applied for the purpose for which the loans were obtained. However, un-applied funds are kept in Fixed Deposit.
- (xii) 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 on or by the Company has been noticed or reported during the year.

For M/s. Satyanarayana & Co.
Chartered Accountants
Firm's Registration Number 036805

For M/s. Rao & Kumar
Chartered Accountants
Firm's Registration Number 030895

Place : Hyderabad
Date : 29th May 2015.

Ch. Seshagiri Rao
Partner
M.No. 18523

S.S.Bharadwaj
Partner
M.No. 26113

Balance Sheet as at March 31, 2015

₹ in Lakhs

Particulars	Note	As at March 31, 2015		As at March 31, 2014	
I) EQUITY AND LIABILITIES					
A Share Holders' Funds					
Share Capital	2	2,530.00		2,530.00	
Reserves and Surplus	3	56,233.38	58,763.38	55,985.66	58,515.66
B Non Current Liabilities					
Long Term Borrowings	4	19,870.01		22,407.26	
Deferred Tax Liabilities	5	1,726.16		2,456.70	
Long-term Provisions	6	197.89	21,794.06	203.00	25,066.96
C Current Liabilities					
Short Term Borrowings	7	42,667.26		43,241.82	
Trade Payables	8	18,212.33		29,307.55	
Other Current Liabilities	9	13,999.73		18,785.03	
Short Term Provisions	6	1,984.23	76,863.55	1,897.83	93,232.23
Total			1,57,420.99		1,76,814.85
II) ASSETS					
A Non Current Assets					
Fixed Assets					
Tangible Assets	10	42,177.43		45,812.92	
Intangible Assets	11	2,220.79		1,600.10	
Capital Works in Progress	12	1,558.98		2,116.31	
Intangible Assets under development	13	3,379.31	49,336.51	3,497.13	53,026.46
Non Current Investments	14	2,274.98		2,943.54	
Long Term Loans and Advances	15	1,343.75		1,047.19	
Other Non Current Assets	18	243.22	3,861.95	1,407.63	5,398.36
B Current Assets					
Inventories	16	50,925.89		59,756.70	
Trade Receivables	17	40,876.75		45,808.16	
Cash and Bank Balances	18	4,611.42		4,648.95	
Short Term Loans and Advances	15	7,808.47	1,04,222.53	8,176.22	1,18,390.03
Total			1,57,420.99		1,76,814.85
Significant Accounting Policies	1				
Notes on Financial Statements	2 to 39				

As per our Report of even date annexed

for M/s Satyanarayana & Co.
Chartered Accountants
FRN No. 03680 S

for M/s Rao & Kumar
Chartered Accountants
FRN No. 03089 S

On Behalf of the Board

Ch Seshagiri Rao
Partner
M.No: 18523

S S Bharadwaj
Partner
M.No: 26113

Dr A J Prasad
Chairman & Managing Director

M S S Srinath
Director

Place : Hyderabad
Date : 29th May 2015

Place : Hyderabad
Date : 29th May 2015

K Mahidhar
Vice President - Finance

M V S S Kumar
Company Secretary

Statement of Profit & Loss for the year ended March 31, 2015

₹ in Lakhs

Particulars	Note	Year Ended March 31, 2015		Year Ended March 31, 2014	
A Revenue					
Revenue from Operations	19		143205.11		137316.28
Less : Excise Duty			10198.08		9236.93
Revenue from Operations (Net)			133007.03		128079.35
Other Income	20		1660.52		1001.53
Total Revenue (A)			134667.55		129080.88
B Expenses					
Cost of Material Consumed	21		75252.90		82294.68
Purchase of Traded goods			420.82		282.99
(Increase) / Decrease in Inventory	22		6392.64		(3815.35)
Employee Benefits Expense	23		9482.30		9500.99
Finance Cost	24		7066.02		7573.87
Depreciation and Amortisation Expense	25		5103.85		3850.95
Other Expenses	26		26913.58		29836.28
Total Expenses (B)			130632.11		129524.41
C Profit/(loss) before Exceptional and Extra-ordinary items and Tax (A-B)			4035.44		(443.53)
D Exceptional Items - (Income)/Expense	27		1503.82		(5653.98)
E Profit/(loss) before tax (C-D)			2531.62		5210.45
F Tax Expense					
- Current Tax		1460.00		1103.28	
- Less : MAT Credit Entitlement		-	1460.00	(685.87)	417.41
- Deferred Tax Changes/(Credit)			(410.16)		205.28
- Income Tax & Wealth Tax relating to Previous Years			19.71		86.71
G Profit for the period (E-F)			1462.07		4501.05
H Earnings per Equity Share	28				
- Basic			0.58		1.78
- Diluted			0.58		1.78
Significant Accounting Policies	1				
Notes on Financial Statements	2 to 39				

As per our Report of even date annexed

for M/s Satyanarayana & Co.

Chartered Accountants

FRN No. 03680 S

for M/s Rao & Kumar

Chartered Accountants

FRN No. 03089 S

On Behalf of the Board

Ch Seshagiri Rao

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Chairman & Managing Director

M S S Srinath

Director

Place : Hyderabad

Date : 29th May 2015

Place : Hyderabad

Date : 29th May 2015

K Mahidhar

Vice President - Finance

M V S S Kumar

Company Secretary

Cash Flow Statement for the year ended March 31, 2015 (As per Clause 32 of the Stock Exchange Listing Agreement)

₹ in Lakhs

	31-Mar-2015		31-Mar-2014	
A CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit / (Loss) before Tax and Exceptional Items		4,035.44		(6,097.51)
Exceptional Items - Income / (Expenditure) *		(1,503.82)		5,653.98
Operating Profit / (Loss) before adjustments		2,531.62	-	(443.53)
Adjustments for :				
Depreciation	4,463.52		3,477.11	
Amortisation of Intangible Assets	640.32		373.84	
Diminution in Value of Investments	668.30		-	
Loss on Sale of Assets	451.96		-	
Deposits Written off	(20.47)		43.57	
Debit Balances written off	(212.57)		-	
Interest Income	(423.40)		(462.46)	
Interest Expense	1,262.52		2,661.97	
Provision for Doubtful Debts	596.00		-	
Other Provisions	69.38	7,495.56	54.31	6,148.34
Operating Profit before working capital changes		10,027.18		5,704.81
(Increase)/Decrease in Sundry debtors	4,335.41		(2,670.09)	
(Increase)/Decrease in Inventories	8,830.81		(16,454.00)	
(Increase) / Decrease in Loans & advances **	(276.91)		(3,696.76)	
Increase/(Decrease) in Current Liabilities	(14,230.37)	(1,341.06)	12,862.05	(9,958.80)
Cash generated from Operations		8,686.12		(4,253.99)
Income taxes paid	(517.31)		(332.43)	
Income Tax paid Previous years	(19.71)	(537.02)	-	(332.43)
Net Cashflow from Operating activities (A)		8,149.10		(4,586.42)
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(2,926.22)		(1,944.28)	
Sale of Investments (Net)	0.26		17,654.24	
Sale of fixed assets	117.66		444.03	
Interest Received	423.40		462.46	
Net Cash flow from investing activities (B)		(2,384.90)		16,616.45
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long-term borrowings	(10,450.00)		-	
Repayment of long-term borrowings	14,323.14		17,341.66	
Proceeds from working capital borrowings	4,459.50		(4,969.64)	
Repayment of Interest Free Sales Tax Loan	319.38		187.81	
(Increase)/Decrease in unsecured loans	(3,884.94)		(4,158.34)	
Dividend payment	591.99		441.06	
Interest Paid	1,262.52		2,661.97	
Net cash flow used in financing activities (C)		6,621.59		11,504.52
NET INCREASE IN CASH and CASH EQUIVALENTS (A+B-C)		(857.39)		525.51
Cash and Cash equiv.at beginning of the period		1,491.16		965.65
Cash and Cash equiv. at end of the period		633.77		1,491.16
Cash and Cash equivalents				
Cash on hand		16.03		18.81
Balances with Banks in Current account		617.74		1,472.35
Total		633.77		1,491.16

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR 31-03-2015

- This statement is prepared as per Accounting Standard-3 (indirect method) and as per clause 32 of the Listing Agreement.
- * Details of The Exceptional Items are given in Note 27.
- ** Including Bank Balances Other than Cash and Cash Equivalents
- Previous year's figures were re-grouped wherever necessary.

As per our Report of even date annexed

for M/s Satyanarayana & Co.
Chartered Accountants
FRN No. 03680 S

for M/s Rao & Kumar
Chartered Accountants
FRN No. 03089 S

On Behalf of the Board

Ch Seshagiri Rao
Partner
M.No: 18523

S S Bharadwaj
Partner
M.No: 26113

Dr A J Prasad
Chairman & Managing Director

M S S Srinath
Director

Place : Hyderabad
Date : 29th May 2015

Place : Hyderabad
Date : 29th May 2015

K Mahidhar
Vice President - Finance

M V S S Kumar
Company Secretary

Notes to Financial Statements for the year ended March 31, 2015**Note: 1 Significant Accounting Policies****A Basis for preparation of financial statements:**

The financial statements have been prepared under the Historical Cost convention and on a Going Concern basis to comply, in all material aspects, with the Accounting Principles Generally Accepted in India (GAAP) including the Accounting Standards specified under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.

B Use of Estimates:

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosure relating to contingent liabilities as of the date of the financial statements. Examples of such estimates and assumptions include the useful lives of tangible and intangible fixed assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, warranties, etc. Differences between the actual results and estimates are recognised in the period in which the results are known.

C Tangible Assets and Depreciation:

1. Tangible Assets are stated at original cost, net of recoverable taxes and duties, less cumulative depreciation and impairment. Administrative and other general overheads including borrowing costs that are specifically attributable to acquisition of Assets or bringing Fixed Assets into their working condition are allocated / apportioned and capitalised as part of cost of the Asset. Premium paid for acquiring Leasehold Lands along with directly related expenditure is considered as tangible asset.
2. Depreciation on Tangible Assets including those on leasehold premises is provided under straight line method over the useful life of assets specified in Part 'C' of Schedule II to the Companies Act, 2013 and in the manner specified there in, except in respect of Dies and Moulds used and 'Secured Land Filling' (used for disposal of Lead slag) which are depreciated over their estimated useful lives of 5 years and 10 years respectively on Straight Line Method. Assets costing less than Rs.5,000/- are fully depreciated in the year of purchase. Cost of acquisition of Leasehold Land is amortised over the lease period.

D Intangible Assets and Amortisation:

1. 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. Expenditure incurred for creating infrastructure facilities where the ownership does not rest with the company and where the benefits from it accrue over a future period is also considered as Intangible Asset.
2. New product development expenditure, software licences, technical know-how fee, infrastructure and logistic facilities, etc. are recognised as Intangible Assets upon completion of development and commencement of commercial production.
3. Expenditure capitalised under 'Intangible Assets' is amortised over a period of 60 months from the month of commencement of commercial production/utilisation of facility.
4. Amortisation on impaired intangible assets is adjusted in the future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

E Capital Work in Progress (CWIP) and Assets under Development

1. Tangible CWIP includes Plant and Equipment under erection, Civil works in progress and preoperative expenses pending allocation to the related assets.
2. Intangible Assets Under Development include
 - a) New Product Expenditure where development is in progress
 - b) Payments made towards fees for software licences, technical know-how, Infrastructure/logistic facilities etc., and also include all related expenditure incurred up to absorption of technology and completion of Development.

F Impairment of Assets:

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is recognised when an asset is identified as impaired. Conversely, the impairment loss, recognised in prior accounting period, is reversed if there is an upward revision in the estimate of recoverable amount.

G Foreign Currency Transactions:

Transactions relating to non-monetary items and Purchase and Sale of goods/services denominated in foreign currency are recorded at the exchange rate prevailing or a rate that approximates the actual rate on the date of transaction. Assets & Liabilities in the nature of monetary items denominated in foreign currencies are translated and restated at prevailing exchange rates at the Balance sheet date. Income or expense arising on account of exchange rate difference either on settlement or on translation is recognised in the Statement of Profit & Loss.

H Investments:

- a) Investments classified as "Long Term Investments(Non-Current)" are carried at cost and provision for diminution, if any, is made to recognise the decline, other than temporary, in the value of the Investments. Such reduction is determined and made for each investment individually.
- b) Investment classified as 'Current Investments' are carried at the lower of cost and fair value determined on individual investment basis.

Notes to Financial Statements for the year ended March 31, 2015

I Income Recognition:

- a) Sales Revenue is recognised on despatch to customers as per the terms of the order. Sales are disclosed at net of returns/trade discounts and inclusive of Excise duty billed to customers. Inter Divisional Transfers are not recognised as Revenue.
- b) Service Income is recognised on the basis of bills submitted as per the terms of the order.
- c) Revenue from Short Term contracts involving Supply and Service, where price breakup is available, is recognised -
 - i) In respect of Supplies when goods are delivered to customers unconditionally; and
 - ii) In respect of Service on completion of Service and bills submitted as per terms of the order.
- d) In case of contracts (Long Term) for complex equipment/systems/development orders where the normal cycle time for completion is spread over two or more accounting periods, revenue is recognised, subject to provision for anticipated losses, based on percentage of completion as certified by technical committee/customers' acceptance wherever applicable.
- e) Dividends are recognised as income when the right to receive the dividend is established.
- f) Income from interest bearing deposits with Banks and others is recognised on accrual basis.
- g) Interest on Income tax refunds is recognised on determination or on receipt whichever is earlier.
- h) Subsidies from Government are recognised when received.

J Inventories: Inventories at the year end are valued as under :

a) Raw Materials, Components, Consumables and Stores & Spares.	At lower of weighted average cost and net realisable value.
b) 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.
c) Long Term contract work in progress (where the income is not eligible for recognition as per Income recognition policy stated above).	At direct and attributable costs incurred in relation to such contracts . At lower of cost and net realisable value
d) Stock In Trade	At cost less amount charged off (which is at 1/3 rd of value each year).
e) Consumable Tools	

- Cost of Material is net of CENVAT/VAT availed on all items.
- Stock of Finished Goods at Factories and at Branches are inclusive of Excise Duty.
- Customs Duty payable on Bonded Stock/ in transit is provided for and is included in the value of such stocks.
- Inventory arising out of inter divisional transfers is valued at cost to the transferring division after eliminating unrealised profit, if any.

K Provisions, Contingent Liabilities and Contingent Assets:

- a) Provision for liabilities is recognised if :
 - i) the Company has a present obligation as a result of a past event
 - ii) a probable outflow of resources is expected to settle the obligation and
 - iii) the amount of obligation can be reliably estimated
- b) Reimbursement of expenditure is recognised only upon virtual certainty of receipt.
- c) Contingent liability is disclosed but is not provided for, in respect of a present obligation or a possible obligation which do not require an out flow of resources or where the likelihood of such out flow is remote.
- d) Contingent assets are neither recognised nor disclosed.
- e) Provisions and contingent liabilities are reviewed at each Balance sheet date and are adjusted to reflect the current best estimate.

L Taxes on Income/Deferred Tax:

- a) Current Tax on Income is determined and provided on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961. In the year in which 'Minimum Alternative Tax ' (MAT) on book profits is applicable and paid, eligible MAT credit equal to the excess of MAT paid over and above the normally computed tax, is recognised as an asset to be carried forward for set off against regular tax liability when it is probable that future economic benefit will flow to the Company within the MAT credit Entitlement period as specified under the provisions of Income Tax Act, 1961. The carrying amount of MAT Credit entitlement is reviewed and adjusted wherever required at each Balance Sheet date.
- b) Deferred tax resulting from timing differences between accounting Income and taxable Income is recognised and accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The Deferred tax Asset is recognised and carried forward only to the extent that there is reasonable certainty that the Asset will be realised in future. The carrying amount of 'Deferred Tax Asset' is reviewed and adjusted at each Balance Sheet date

M Assets taken under leases:

- a) In respect of Equipment taken under finance leases, the fair value of the leased asset is recognised as an asset and corresponding liability is created. The finance charges are allocated to the period over the lease term and are charged off.
- b) In respect of Equipment taken under operating lease, lease payments are recognised as expense over the period of lease term.

N Employee Benefits:

a) Short term Benefits:

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

Notes to Financial Statements for the year ended March 31, 2015

b) Post-employment benefits:

(i) 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.

(ii) Defined benefit plans:

The Company's obligation towards Gratuity is a defined benefit plan. The present value of the estimated future cash flows of the obligation under such plan is determined based on actuarial valuation using the Projected Unit Credit method. Actuarial gains and losses are recognised immediately in the Profit & Loss statement. The contribution made is recognised as expense.

c) Long Term employee benefits:

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

O Cash Flow statement:

Cash Flow statement is reported using 'Indirect Method' as per Accounting Standard, (AS)-3.

P Prior period and Extra-ordinary items/Exceptional items:

a) Items of Prior period Income and Expenditure are disclosed distinctly.

b) Items of Income/ Expense/Loss which are exceptional and non-recurring in nature are considered as Exceptional/Extraordinary items and are disclosed distinctly for determination of net profit/loss for the period.

Note : 2

Share Capital

₹ in lakhs

	31 March 2015	31 March 2014
Authorised		
30,00,00,000 Equity shares of Rs.1 each (Previous Year 30,00,00,000 Equity shares of Rs.1 each)	3,000.00	3,000.00
Issued , Subscribed and fully paid-up		
25,30,00,000 Equity shares of Rs. 1 each (Previous Year 25,30,00,000 Equity shares of Rs. 1 each)	2,530.00	2,530.00
	2,530.00	2,530.00

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

	31 March 2015		31 March 2014	
Equity Shares	No.of Shares	Value Rs. in lakhs	No.of Shares	Value Rs. in lakhs
At the beginning of the period	25,30,00,000	2,530.00	25,30,00,000	2,530.00
Issued during the period	-	-	-	-
Outstanding at the end of the period	25,30,00,000	2,530.00	25,30,00,000	2,530.00

2.2 Terms/rights attached to equity shares

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

2.3 Shares held by holding/ultimate holding company

Out of equity shares issued by the company, details of shares held by its holding company is as below :

	31 March 2015	31 March 2014
Name of the Shareholder	No.of Shares	No.of Shares
Beaver Engineering & Holdings Private Limited	14,30,59,443	14,30,59,443

Notes to Financial Statements for the year ended March 31, 2015

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

₹ in lakhs

Name of the Shareholder	31 March 2015		31 March 2014	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of Rs.1 each fully paid				
Beaver Engineering & Holdings Private Limited	14,30,59,443	56.55	14,30,59,443	56.55
Dr. A J Prasad	2,76,54,500	10.93	2,76,54,500	10.93
Citigroup Global Markets Mauritius Private Limited	-	-	1,67,01,761	6.60
Reliance Capital Limited	-	-	1,43,60,000	5.68

Note : 3 Reserves and Surplus

₹ in lakhs

	31 March 2015		31 March 2014	
Capital Reserve		1.02		1.02
Investment Subsidy from State Government		55.77		55.77
Securities Premium Account		10,437.77		10,437.77
General Reserve				
Opening Balance	36,500.00		36,000.00	
Less: Adjustment on account of Depreciation Based on New Companies Act, 2013 (Refer note : 10.1)	605.35		-	
Add: Transferred from Profit & Loss Statement	500.00	36,394.65	500.00	36,500.00
Surplus as per Profit & Loss Statement		9,344.17		8,991.10
		56,233.38		55,985.66

3.1 Surplus/(deficit) in the statement of profit and loss

₹ in lakhs

	31 March 2015		31 March 2014	
Balance as per last financial statements	8,991.10		5,582.04	
Profit for the Period	1,462.07	10,453.18	4,501.05	10,083.09
Less : Dividend on Equity Shares *	506.00		506.00	
Tax on Dividend	103.01		85.99	
Transfer to General Reserve	500.00	1,109.01	500.00	1,091.99
		9,344.17		8,991.10

* A dividend @ 20% i.e. Re.0.20 per Equity Share is proposed to be paid subject to approval by the Shareholders in the ensuing AGM

Note : 4 : Non-Current Liabilities

₹ in lakhs

Long-Term Borrowings	31 March 2015		31 March 2014	
	Non-current	Current	Non-current	Current
A) Secured Loans from				
IDBI Bank Limited	1,250.00	-	1,713.60	2,371.60
State Bank of India	-	-	2,159.63	1,451.38
State Bank of Hyderabad	-	-	1,050.00	905.83
ICICI Bank Ltd	-	-	2,300.00	2,300.00
HDFC Bank Ltd	3,831.00	5,369.00	-	-
	5,081.00	5,369.00	7,223.23	7,028.81
B) Secured Loans from Others				
Against Vehicles from HDFC Bank	47.99	50.10	62.21	54.75
	47.99	50.10	62.21	54.75
C) Unsecured Loans				
Interest Free Sales Tax Loan (Deferred Payment Liability)	849.75	321.87	1,171.62	319.38
Loan from HPFSIPL	62.90	40.48	103.38	35.86
Finance Lease Obligations from HPFSIPL	28.37	18.46	46.82	16.37
Loan from Holding Company	13,800.00	-	13,800.00	-
	14,741.02	380.81	15,121.82	371.61
	19,870.01	5,799.91	22,407.26	7,455.17

Notes to Financial Statements for the year ended March 31, 2015

4.1 Current Maturities of Long Term Loans

instalments due within 12 months from the date of Balance Sheet classified as current as shown above are disclosed under " Other Current Liabilities"

4.2 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.

4.2.1 Term Loan from IDBI and HDFC :

The capex term loan of Rs.2500 lakhs is sanctioned by IDBI Bank for setting up of Spun Concrete Poles unit with a project cost of Rs.3350 lakhs with a capacity of 100,000 poles p.a. at Narsaraopet, Guntur District, Andhra Pradesh. The loan is secured by pari passu first charge on the entire fixed assets of the company both present and future. This loan is also guaranteed by Managing Director, another Director, Smt. A. Umadevi and Smt. Kavita Prasad in their personal capacities.

Term Loan I of Rs.7200 lakhs is to refinance the existing debt and Term Loan II of Rs.2000 lakhs is towards the refinancing of capital expenditure of the Company. Both the loans are secured by a first charge on the entire fixed assets of the Company both present and future. These loans are also guaranteed by Managing Director, and another Director Kavita Prasad in their personal capacities.

₹ in lakhs

Name of the Bank	Loan Amount Drawn	No of Instalments	% of Interest	Outstanding Ason 31-03-2015
IDBI BANK LIMITED - Term Loan I	1250.00	12 (QTLY) commencing from 1-10-2016	13.25	1250.00
HDFC BANK LTD - Term Loan I	7200.00	9 (QTLY) commencing from 1-04-2015	10.85	7200.00
- Term Loan II	2000.00	4 (HY) commencing from 30-09-2017	11.00	2000.00

4.2.2 Other Loans :

(a) HDFC Bank

The Term Loans for acquiring vehicles are secured by exclusive hypothecation of vehicles acquired through execution of D.P. Note.

4.3 Unsecured Loans

(a) Interest Free Sales Tax Loan (IFST):

IFST Loan of Rs. 1171.62 lakhs shown under unsecured loan represents the Sales tax payable by the Company given as Loan by A.P State Government under a scheme, to be repaid without interest after 14 years from the date of availment. The loan requires creation of a charge on the assets of the Company. Pending creation of charge, the amount is shown as 'Unsecured Loan' to be regrouped as Secured Loan as and when the charge is created.

- (b) Term Loan from Hewlett-Packard Financial Services India Pvt Ltd (HPFSIPL) towards implementation of SAP Project is repayable in 20 quarterly instalments from the date of loan with interest at the rate ranging between 11% and 13%. The loan is also guaranteed by a Director of the Company.
- (c) Finance Lease of Assets from Hewlett-Packard Financial Services India Pvt Ltd (HPFSIPL) for Implementation of SAP Project is repayable by way of lease rentals over a period of 5 years and is also guaranteed by a Director of the Company.
- (d) Loan from Holding Company is Interest free and is repayable after a moratorium period of 10 years from the date of first with drawl.

4.4 There were no continuing defaults as on the Balance Sheet date in repayment of loan instalments and interest.

Notes to Financial Statements for the year ended March 31, 2015

Note : 5 Deferred Tax Liability (Net)

₹ in lakhs

	31 March 2015	31 March 2014
Deferred Income Tax Liability (As per last Balance Sheet)	2,456.70	2,251.42
Less: Adjustment on account of Depreciation Based on New Companies Act, 2013 (Refer Note 10.1)	320.38	-
Add: Deferred Income Tax Liability / (Asset) for the year	(410.16)	205.28
	1,726.16	2,456.70

Note : 6 Provisions

₹ in lakhs

	31 March 2015		31 March 2014	
	Long-Term	Short-Term	Long-Term	Short-Term
Provision for Employee benefits				
Provision for Earned Leave Encashment	197.89	5.16	203.00	14.48
Provision for Gratuity	-	193.53	-	249.27
Other Provisions				
Provision for Warranties	-	854.24	-	663.84
Provision for Excise & Customs Duty on Closing Stocks	-	209.15	-	378.24
Provision for Commission to Director on Profits	-	113.14	-	-
Provision for Proposed Equity Dividend	-	506.00	-	506.00
Provision for Dividend Distribution Tax	-	103.01	-	85.99
	197.89	1,984.23	203.00	1,897.82

Current Liabilities

Note : 7 Short Term Borrowings

₹ in lakhs

	31 March 2015		31 March 2014	
(Loans repayable on Demand)				
Secured Working Capital Loans from				
State Bank of India	12,424.94		13,748.63	
State Bank of Hyderabad	1,910.18		2,547.42	
IDBI Bank Ltd	3,321.25		3,625.62	
IDBI Short Term Loan	1,800.00		-	
ICICI Bank Ltd	3,706.43		4,979.79	
Axis Bank Ltd	2,938.21		3,972.10	
Axis Bank Ltd Export Packing Credit	-		980.53	
Buyers Credit from Banks	4,730.94	30,831.95	5,437.36	35,291.45
Unsecured (from Banks) (Loans other than repayable on demand)				
Purchase Bill Discounting from Kotak Mahindra Bank Ltd		1,691.38		2,336.38
Purchase Bill Discounting from IDBI Bank Ltd		3,353.19		1,430.40
Sale Bills (LC backed) Discounted with SBI		1,391.96		1,065.19
Sale Bills (Clean) Discounted with Yes Bank Ltd		1,767.78		-
Sale Bills (LC backed) Discounted with ICICI Bank Ltd		-		79.19
HDFC Short Term Loan		2,500.00		1,500.00
Yes Bank Ltd Exported Packing Credit		-		882.59
Yes Bank Ltd Current Account		-		90.62
Unsecured (from Banks) (Loans repayable on demand)				
Inter Corporate Deposit from Holding Company		380.00		245.00
Loans from Directors		751.00		321.00
		42,667.26		43,241.82

Notes to Financial Statements for the year ended March 31, 2015

7.1 Working Capital Loans

The Working Capital Loans from the State Bank of India, State Bank of Hyderabad, IDBI Bank Ltd, ICICI Bank Ltd and Axis Bank are secured by a first charge on all the chargeable current assets and by a second charge on the fixed assets (both present and future) of the Company. Short term loan (Adhoc Cash Credit) from IDBI Bank Ltd is repayable within 90 days with interest @ 13%. All the loans are also guaranteed by Managing Director, two other Directors of the Company, and Smt. A. Uma Devi in their personal capacities.

7.2 Purchase Bill Discounting from Kotak Mahindra Bank Ltd. Is guaranteed by CMD and a Director of the Company in their personal capacity.

Purchase Bill Discounting from IDBI Bank Ltd. Is secured by accepted bill of exchange and post dated cheque/standing instructions for making payment on due date

7.3 The facilities extended by YES Bank are secured by subservient charge on all the current and movable fixed assets of the company. Further the facilities are guaranteed by Managing Director and one other promoter director of the Company.

7.4 Working Capital Short Term Loan from HDFC Bank is secured by personal guarantee of CMD and is repayable within 90 days with interest @ 10.50% p.a.

7.5 Inter corporate deposit from holding company is repayable on demand with Interest @ 12% p.a.

7.6 Loan from Directors is repayable on demand with interest @ 12% p.a.

Note : 8 Trade Payables

₹ in lakhs

	31 March 2015	31 March 2014
Trade Payables	17,587.94	28,335.58
Dues to MSME Creditors	624.39	971.97
	18,212.33	29,307.55

8.1 The Company has amounts dues to Micro and Small Enterprises under The Micro, Small and Medium Enterprises. Development Act, 2006 (MSMED Act)

	2014-15	2013-14
The principal amount and the interest due thereon remaining unpaid to any supplier at the year end : Principal amount	624.39	971.97
Interest	23.04	38.46
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	5503.00	4429.44
Interest	-	-
The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	118.24	88.21
The amount of interest accrued and remaining unpaid	141.28	126.68
The amount of further interest remaining due and payable for the earlier years	551.68	425.00

Note: The information has been given in respect of those suppliers who have intimated the Company that they are registered as micro, small and medium enterprises. Some of the vendors who come under the MSMED Act 2006 have been associated with the company for a long time and have a continuous business relationship. The company is usually prompt in servicing these vendors as per mutually agreed payment terms. In view of such longstanding relationship, no claims were received by the Company. The Company expects that there will be no claims in future also for interest.

Notes to Financial Statements for the year ended March 31, 2015

Note : 9

₹ in lakhs

Other Current Liabilities	31 March 2015	31 March 2014
Current Maturities of Long-Term Debt (Refer Note no: 4.1.1)	5,799.91	7,455.17
Other Payable Employees	1,178.13	1,725.54
Trade Deposits	229.53	197.41
Advances Against Sales	4,228.56	6,801.13
Statutory Dues	526.68	362.83
Interest Accrued and Due	-	4.80
Interest Accrued But not Due on Loans	144.40	185.06
Unpaid/unclaimed Dividends *	33.33	27.66
Directors' Current Account	142.84	171.53
Creditors for Capital Expenditure	534.37	353.39
Other Payables	1,181.98	1,500.51
	13,999.73	18,785.03

* Dividend amount pertaining to F.Y.2006-07 of Rs.214714/- due for remittance on 09.11.2014 was remitted to Investor Education & Protection Fund on 21.04.2015.

Schedules Forming Part of Consolidated Balance Sheet
Note : 10
Tangible Assets (at Cost)

₹ In Lakhs

Description	Gross Block			Depreciation Block			Net Block			
	As On April 1, 2014	Additions	Adjustments/ deletions	As On March 31, 2015	As On April 1, 2014	Transitional Adjustment	For the Period	Adjustments/ Deletions	As On March 31, 2015	As On March 31, 2014
Land - Freehold	3,527.51	202.48	-	3,729.99	-	-	-	-	3,729.99	3,527.51
Land - Leasehold	246.99	-	-	246.99	20.83	-	2.65	-	23.48	226.15
Buildings - Factory	18,027.96	215.76	-	18,243.72	3,120.00	330.17	744.69	-	4,194.86	14,704.79
Buildings - Others	734.24	-	-	734.24	65.59	8.30	11.59	0.03	85.46	648.78
Plant & Machinery	41,374.55	1,843.62	718.25	42,499.92	16,688.13	261.89	3,248.79	172.79	20,026.01	24,687.52
Office Equipment	1,886.23	29.13	0.03	1,915.32	1,160.82	294.73	238.95	-	1,694.51	724.03
Assets Under Finance Lease	86.48	-	-	86.48	22.68	-	25.84	-	48.52	63.80
Furniture & Fixtures	814.82	3.87	0.21	818.49	421.66	10.16	68.72	0.21	500.34	393.38
Vehicles	1,324.79	54.35	70.26	1,308.88	710.92	20.47	148.12	46.11	833.42	613.87
Technical Library	1.89	-	-	1.89	1.89	-	-	-	1.89	-
Sub Total (A)	68,025.45	2,349.21	788.76	69,585.91	22,212.53	925.73	4,489.36	219.14	27,408.48	45,812.92
Previous Year	66118.62	2180.37	273.53	68025.45	18754.90	-	3514.01	56.38	22212.53	45812.92
For the year				4489.36						
Capitalised				25.83						
As per P&L statement				<u>446353</u>						

10.1 Schedule II to the Companies Act, 2013 on the subject of Depreciation, came into effect from 01-04-2014, which prescribed the useful life of assets and the manner in which the depreciation is to be computed and accounted for. The company had changed its basis of providing for Depreciation in line with and as per requirements of the said Schedule

Accordingly, the carrying amount of the assets, as on the date on which the said schedule had come into effect, is :

- i) Depreciated over their remaining useful life, where the remaining useful life of the assets is not nil; and
- ii) Adjusted against the opening balance of retained earnings, where the remaining useful life of the assets is nil.

This change, in the method of providing for depreciation, had resulted in :

- a) Increase in the Accumulated Depreciation as at 1-4-2014 by Rs. 925.73 lakhs with a consequential Reduction in Opening Balance of Reserves by Rs. 605.35 lakhs net after considering the impact on deferred tax of Rs. 320.38 lakhs, and
- b) The amount of Depreciation charged to Profit & Loss account is higher by Rs. 1352.25 lakhs, as compared to the amount of depreciation that would have been provided had the company continued to follow its previous policy.

10.2 In respect of Dies & Moulds and Secure Land Filling included in Plant & Machinery group, the Management had, in the past, technically estimated their useful lives at 5 years and 10 years respectively and the company had continued to charge such higher depreciation (as compared to Schedule II) on the same basis.

Note : 11

Intangible Assets (at Cost)

₹ in Lakhs

Description	Gross Block			Depreciation/Amortisation Block		Net Block	
	As On April 1, 2014	Additions	Adjustments/Deletions	As On March 31, 2015	For the Period	As On March 31, 2015	As On March 31, 2014
Intangible Assets							
New Product Development Expenditure(Internally generated)	2,471.90	691.76	-	3,163.66	495.58	1,473.00	1,276.82
Asset Power Facility	96.16	-	-	96.16	19.23	52.89	72.12
Technical Knowhow fee	295.48	569.24	-	864.73	125.51	694.90	251.16
Sub Total (B)	2,863.54	1,261.00	-	4,124.55	640.32	2,220.79	1,600.10
Previous Year	2,150.21	805.14	91.81	2,863.54	396.35	1,600.10	

Note : 12

Capital Work in Progress
Machinery under Erection
Civil Works in Progress
Pre-operative Expenses to be capitalised

31 March 2015	31 March 2014
1267.85	1,737.38
47.98	45.40
243.15	333.53
1,558.98	2,116.31

Note : 13

Intangible Assets Under Development/Progress (at cost)

Description	As On April 1, 2014	Additions during the year	Adjustments/Deletions	Transfer on Completion to Intangible Asset	As On March 31, 2015
1) New Product Development Expenditure (Internally generated)					
a) Battery Products	1,105.75	919.02	-	691.76	1,333.01
b) Electronic Products	652.20	-	-	-	652.20
2) Technical Knowhow fee paid	1,278.55	-	65.98	569.24	643.33
3) Power Facility cost	14.88	-	-	-	14.88
4) SAP Project Expenditure	445.75	290.14	-	-	735.89
Total	3,497.13	1,209.16	65.98	1,261.00	3,379.31

In respect of Battery Products, the company has completed all activities relating to development and is in the process of installing the mass production facilities and sales network, which are expected to be completed shortly. In respect of Other Products, development is in progress.

Note : 14

Non-Current Investments (at Cost)

₹ in lakhs

	No. of Equity Shares Held	Face Value	Details	31 March 2015		31 March 2014	
	Number (Previous Year)	Face Value per unit					
i)	Investment in Equity						
a)	Subsidiary Companies						
	250 (250)	Euro 100	HBL Germany GMBH		14.92		14.92
	9999500 (9999500)	Rs. 10	SCIL Infracon Pvt Ltd Less : Diminution Value Provided for	1,248.37 650.00		1,248.37 -	 1,248.37
	450 (450)	USD 1000	HBL America Inc		223.98		223.98
b)	Associate Company						
	41000 (41000)	Rs. 10	Naval Systems & Technologies Pvt Ltd		4.10		4.10
	Joint Venture Company						
c)	1100000 (1100000)	SR 10	Gulf Batteries Company Ltd (Kingdom of Saudi Arabia)		1,424.51		1,424.51
d)	Controlled Company						
	90000 (90000)	Rs. 10	Kairos Engineering Ltd.		9.00		9.00
	Other Companies						
	(-) 2600 (Quoted)	Rs. 10	VARP Power Pvt Ltd		-		0.26
	200 (200)	Rs. 10	Indian Lead Ltd		0.10		0.10
	Investment in Limited Liability Partnership (LLP)						
			HBL Suntech LLP Less : Diminution Value Provided for	18.30 18.30		18.30 -	 18.30
	TOTAL				2,274.98		2,943.54

Notes to Financial Statements for the year ended March 31, 2015

14.1 All Investments are Trade and Un quoted (unless other wise stated) and are classified as permanent (Non Current).

	Rs.	Rs.
Aggregate amount of Quoted investments	0.10	-
Aggregate Market Value of Quoted Investments	Not Available	Not Available
Aggregate provision for Dimunution in value of investments	668.30	-

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

14.3 The diminution in the value of the Investments, wherever considered to be permanent, in nature, has been recognised. In respect of Gulf Battery Company Limited, there has been erosion in its net-worth which is in excess of 50%. Various measures are afoot to improve its performance and thereby the net-worth, which are expected to yield positive results in the next two years. In view of this, the company is of the opinion that the said diminution is purely temporary.

Note : 15 Loans and Advances

₹ in lakhs

	31 March 2015		31 March 2014	
	Long-Term	Short-Term	Long-Term	Short-Term
Capital Advances				
Unsecured, Considered Good	290.05	-	273.06	-
(A)	290.05	-	273.06	-
Security Deposits				
Unsecured, Considered Good	1,047.51	304.11	759.30	315.89
(B)	1,047.51	304.11	759.30	315.89
Loans & Advances to Related Parties				
Unsecured, Considered Good	-	426.27	-	666.45
(C)	-	426.27	-	666.45
Other Loans & Advances				
Loans and advances to Employees	6.19	70.48	14.83	79.04
Deposits/Balances with Excise/Sales Tax Authorities	-	651.68	-	932.08
Advance for Purchases and Others	-	2,337.66	-	2,363.35
Interest Accrued But not Due on Deposits	-	518.02	-	493.83
Service Tax Input/Vat Receivables	-	309.73	-	324.50
Claims & Other Receivables	-	1,365.57	-	411.44
Other Advances	-	381.75	-	143.79
Income Tax Refunds Receivable	-	-	-	59.96
MAT Credit Entitlement	-	767.60	-	1,423.40
(D)	6.19	6,402.49	14.83	6,231.39
Advance Payment of Income Tax (including TDS)		3,131.08		2,612.77
Less : Provision for Income Tax/Wealth Tax		2,455.48		1,650.28
(E)		675.60		962.49
Total (A+B+C+D+E)	1,343.75	7,808.47	1,047.19	8,176.22

15.1 Particulars of Loans and Advances due from the Related Parties

₹ in lakhs

	31 March 2015	31 March 2014
SCIL Infracon Pvt Ltd (Subsidiary company)	424.37	628.77
Kairos Engineering Ltd (Controlled Company)	1.66	34.78
Naval Systems & Technologies Pvt Ltd	0.24	-
Sankhya Infotech Ltd . (Associate Company)	-	2.90
	426.27	666.45

Notes to Financial Statements for the year ended March 31, 2015

15.2 Claims and other receivables include :

₹ in lakhs

	31 March 2015	31 March 2014
a) Insurance claim on account of Hud Hud Cyclone (Refer Note : 27.1)	738.95	-
b) Insurance claim on account of heavy rainfall (Refer Note : 15.3)	95.16	102.70
c) Payments under protest for pending litigations	180.29	114.70
d) Other Receivables	351.17	194.04
	1,365.57	411.44

15.3 During the financial year 2011-12, due to heavy rainfall, there was a damage to one of the factory buildings and incidental damage to Plant & Machinery and stocks in process. The assets were insured under reinstatement value policy which was in force as on the date of incident. The total cost for repairing, rebuilding the factory shed/acquiring related machinery and damaged inventory is estimated at ₹ 264.00 Lakhs. The company is in the process of restoring the damaged assets and the cost incurred in this regard upto 31.03.2015 was ₹ 95.16 Lakhs, which is included in Claims & Other Receivables. The Company has received repudiation letter from the Insurer and the company has filed a case against the Insurer. The case is expected to come up for hearing shortly.

Current Assets

Note : 16 Inventories *

₹ in lakhs

	31 March 2015	31 March 2014
Raw Materials	30,790.47	32,042.11
Stores, Spares, Process Chemicals, Fuels & Packing Material	473.41	467.46
Stock -in-trade (in respect of goods acquired for trading)	786.57	479.98
Bonded Stocks/In Transit	2,409.07	3,696.23
Consumable Tools	23.13	10.68
Salvagable Stocks	87.83	-
Work In Progress	12,783.81	17,599.08
Finished Goods	3,571.60	5,461.16
	50,925.89	59,756.70

* Inventories are valued as per Accounting Policy J of Note No. 1

Note : 17 Trade Receivables

₹ in lakhs

	31 March 2015		31 March 2014	
	Long-Term	Short-Term	Long-Term	Short-Term
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, Considered Good		6,011.55		4,838.05
Provision for Doubtful Receivables		(596.00)		-
(A)	-	5,415.55	-	4,838.05
Other Receivables				
Secured, Considered Good				
Unsecured, Considered Good		35,461.20		40,970.11
(B)	-	35,461.20	-	40,970.11
Total (A+B)	-	40,876.75	-	45,808.16

17.1 Particulars of Trade Receivables due from the Related Parties

₹ in lakhs

	As on 31.03.2015	As on 31.03.2014
Beaver Engineering & Holdings Pvt. Ltd.	536.31	-
SCIL Infracon Pvt Ltd (Subsidiary company)	-	42.76
HBL Germany, GMBH	2037.96	5468.94
HBL America, INC	1096.60	849.65
HBL Suntech, LLP	448.63	503.87
Gulf Batteries Co. Ltd (KSA) (Joint Venture Company)	708.67	955.89
Kairos Engineering Ltd (Controlled Company)	1.49	3.37
Total	4829.66	7824.48

Notes to Financial Statements for the year ended March 31, 2015

Note : 18 Cash and Bank Balances

₹ in lakhs

	31 March 2015		31 March 2014	
	Non-Current	Current	Non-Current	Current
Cash & Cash Equivalents				
Cash on hand		16.03		18.81
Current Accounts		617.74		1,472.35
(A)	-	633.77	-	1,491.16
Other Bank Balances				
Fixed Deposits with original maturity of less than three months		1,339.46		130.66
Fixed Deposits	18.93	61.15	15.71	55.62
Margin Money Deposits	224.29	2,543.71	1,391.92	2,943.85
Dividend Account		33.33		27.66
(B)	243.22	3,977.66	1,407.63	3,157.79
Total (A+B)	243.22	4,611.42	1,407.63	4,648.95

Note : 19 Revenue from Operations

(Rs. In Lakhs)

	31 March 2015	31 March 2014
Sales of Products	139,183.92	130,642.77
Traded Goods	(18.23)	393.50
Sales of Services	3,982.15	6,241.47
Other Operating Revenue		
Sale of Scrap	57.27	38.54
	143,205.11	137,316.28
Less : Excise Duty	10,198.08	9,236.93
	133,007.03	128,079.35

19.1 Details of Products sold

19.1.1 Sale of Products/Scrap(Net of Duty)

(Rs. In Lakhs)

Lead Acid Batteries	88,236.80	77,490.60
Nicad Battery Cells	1,596.85	1,716.28
Silver Zinc Battery Cells	1,858.94	1,014.35
Lithium Battery Cells	891.21	503.05
Nickel Cadmium Pocket Plate Batteries	17,480.89	25,473.49
Electronic Chargers/Rectifiers	5,929.74	5,554.46
Battery Operated Vehicles	0.61	0.45
Solar Photovoltaic Module	3,068.37	4,341.72
Other Products	9,979.70	5,349.98
	129,043.11	121,444.38

19.1.2 Traded goods sold

(Rs. In Lakhs)

Batteries	(4.00)	0.69
Other Products	(14.23)	392.81
	(18.23)	393.50

19.1.3 Details of Income for services rendered

(Rs. In Lakhs)

Installation & commissioning Charges Received	798.06	457.66
Works Contract Receipts	532.65	1,380.30
Service Charges	2,541.87	3,484.35
Job Work Charges / Testing Charges	109.57	294.66
Design & Development Service	-	624.50
	3,982.15	6241.47
Grand Total	133,007.03	128,079.35

Notes to Financial Statements for the year ended March 31, 2015

Note : 20 Other Income

(Rs. In Lakhs)

	31 March 2015	31 March 2014
Interest Received on Deposits with Banks/Others	423.40	462.46
Interest on IT Refunds	-	146.63
Rents Received	2.90	5.40
Recovery of Bad debts written off	52.97	61.54
Provisions/Credit Balances no longer required written back	383.61	300.98
Sales Tax Refund Received	-	12.86
Claims Received	787.64	4.27
Miscellaneous Income	2.62	6.86
Duty Drawback Received	7.38	0.53
	1,660.52	1,001.53

Note : 21 Cost of Material Consumed

(Rs. In Lakhs)

	31 March 2015		31 March 2014	
Opening Stocks	32,042.11		21,446.94	
Purchases, Material, Components & Consumables	75,699.47		93,176.70	
	1,07,741.58		1,14,623.65	
Less : Closing Stocks	30,790.47	76,951.11	32,042.11	82,581.54
Less : Internal Capitalisation		1,698.21		286.86
Cost of Material Consumed		75,252.90		82,294.68

21.1 Details of Inventory	31 March 2015	31 March 2014
Raw Materials/Components/Consumables		
Lead & Lead Alloys	9,853.93	10,682.30
Battery Components	4,729.74	1,959.75
Nickel Based Materials	3,257.94	2,634.65
Silver	214.62	342.72
Poly Propylene Materials	469.72	337.77
Battery Separator	508.18	947.24
Copper	453.17	266.88
Electrical & Electronic Components	4,140.37	9,539.22
Packing Materials	208.96	247.01
CR Sheets	26.67	167.38
Solar Panel Materials	527.43	338.02
Others	6,399.74	4,579.17
	30,790.47	32,042.11

21.2 Details of Consumption of Raw Materials	31 March 2015	31 March 2014
Battery Separator	2,751.12	2,335.11
Lead Calcium	17,218.94	20,625.40
Lead Sub Oxide	23,675.55	23,420.30
Poly Propylene	2,623.71	2,929.01
C R Sheet	2,736.47	2,929.49
Nickel Hydroxide Powder	1,302.29	1,978.87
Nickel Sulphate	1,054.91	1,417.86
C R Strip	844.75	950.59
Nickel Powder	237.92	333.12
Transformers, Chokes, Electric Items	2,018.63	3,360.88
Others	20,788.61	22,014.05
	75,252.90	82,294.68

21.3 Value of Imported Raw Materials consumed and their percentage to Total Consumption

	2014-15	%	2013-14	%
Imported Raw Material	23,065.31	30.65	32,494.89	39.49
Indigenous Materials	52,187.59	69.35	49,799.79	60.51
	75,252.90	100.00	82,294.68	100.00

Notes to Financial Statements for the year ended March 31, 2015

Note : 22 (Increase) / Decrease in Inventory

(Rs. In Lakhs)

		31 March 2015		31 March 2014	
a)	Manufacturing Goods				
i)	Opening Stocks				
a)	Semi Finished Goods	17,599.08	23,060.24	12,801.65	19,063.52
b)	Finished Goods	5,461.16		6,261.87	
ii)	Closing Stocks				
a)	Semi Finished Goods	12,783.81	16,355.41	17,599.08	23,060.24
b)	Finished Goods	3,571.60		5,461.16	
b)	Traded Goods		6,704.83		(3,996.72)
	Opening Stock of Traded Goods	479.98		805.12	
	Less : Internal Capitalisation	5.60		143.76	
	Closing Stock of Traded Goods	786.57	(312.19)	479.98	181.37
	(Increase / Decrease)		6,392.64		(3,815.35)

		31 March 2015	31 March 2014
22.1	Details of Inventory		
22.1.1	Traded Goods		
	Batteries	1.49	11.74
	Other Products	785.08	468.24
		786.57	479.98
22.1.2	Work in Progress		
	Lead Acid Batteries	9,712.45	11,006.49
	Nicad Battery Cells	640.10	506.68
	Silver Zinc Battery Cells	5.80	46.66
	Lithium Battery Cells	27.82	151.88
	Nickel Cadmium Pocket Plate Batteries	849.66	2,839.88
	Electronic Chargers/Rectifiers	1,298.60	1,591.44
	Battery Operated Vehicles	13.34	17.69
	Solar Photovoltaic Module	54.50	39.26
	Others Products	181.54	1,399.10
		12,783.81	17,599.08
22.1.3	Finished Goods		
	Lead Acid Batteries	1,702.26	3,651.76
	Nicad Battery Cells	116.22	145.83
	Nickel Cadmium Pocket Plate Batteries	1,058.98	618.11
	Lithium Battery Cells	-	32.49
	Electronic Chargers/Rectifiers	263.84	230.41
	Solar Photovoltaic Module	308.23	776.31
	Concrete Towers	82.81	6.25
	Others Products	39.26	-
		3,571.60	5,461.16
	Grand Total	17,141.98	23,540.22

Notes to Financial Statements for the year ended March 31, 2015

(Rs. In Lakhs)

Note : 23	31 March 2015		31 March 2014	
Employees Cost				
Salaries, Wages & Bonus	7,435.21		7,544.98	
Contribution to Provident & Other Funds	697.22		722.33	
Gratuity	203.99		261.92	
Staff Welfare Expenses	942.80		879.22	
Recruitment & Training	15.00		14.54	
		9,294.22		9,422.99
Remuneration to Directors:				
Salaries & Allowances	69.42		72.24	
Commission on Profits	113.14		-	
Contribution to Provident Fund	5.52		5.76	
		188.08		78.00
		9,482.30		9,500.99

Note : 24

(Rs. In Lakhs)

	31 March 2015	31 March 2013
Finance Cost		
Interest on Term Loans	1,262.52	2,661.97
Interest on Bank Borrowings	4,390.38	3,823.26
Interest on Vehicle Loans	13.31	10.24
Interest on Other Loans	14.84	18.94
Interest on Unsecured Loans	106.38	56.35
Interest - Others	191.78	74.43
Bank Charges	585.93	395.36
BG Charges	238.91	257.95
LC Charges	276.81	364.72
	7,080.86	7,663.22
Less: Capitalised & Transferred to Pre Operative Expenses	14.84	89.35
	7,066.02	7,573.87

Note : 25

	31 March 2015	31 March 2014
Depreciation and Amortization expense		
Depreciation of Tangible Assets	4,463.53	3,477.11
Amortisation of Intangible Assets	640.32	373.84
	5,103.85	3,850.95

Notes to Financial Statements for the year ended March 31, 2015

(Rs. In Lakhs)

Note : 26

	31 March 2015		31 March 2014	
Other Expenses				
Manufacturing Expenses				
Stores & Spares Consumed	1,202.40		1,375.33	
Equipment Lease Rentals	76.99		108.14	
Factory Rent	31.80		26.79	
Consumable Tools Charged Off	15.61		14.66	
Contract Wages	6,912.36		7,394.33	
Testing Charges	172.85		151.58	
Power and Fuel	5,843.02		7,003.49	
Installation Charges paid	379.76		301.92	
Televan Hire Charges	216.53	14,851.32	429.55	16,805.78
Administrative Expenses				
Rent	288.71		315.62	
Rates & Taxes	154.16		160.39	
Licence Fees	1.19		4.26	
Sales Tax on Works Contracts	39.26		107.34	
Excise Duty on Stock Transfers to Branches	103.23		237.22	
Excise duty paid on Samples & Replacements	275.22		535.37	
Excise duty on Closing Stocks of Finished Goods	204.28		174.59	
Insurance	177.68		167.54	
Professional & Consultancy Charges	307.77		290.69	
Security Expenses	639.41		632.65	
Community Development Expenses	27.50		23.43	
Building & Garden Maintenance	515.94		242.07	
Office & Office Equipment Maintenance	282.95		273.91	
Vehicle Maintenance	239.05		246.28	
Maintenance - Others	264.30		289.09	
Conveyance	867.57		927.45	
Travelling	515.96		553.56	
Printing & Stationery	146.44		197.73	
Postage, Telephones & Telex	317.67		367.15	
Books & Periodicals	80.73		83.23	
Foreign Exchange Rate Variation	13.65		865.99	
Sundry Expenses	341.75		318.47	
Directors Sitting Fees	1.12		0.92	
Payment to Statutory Auditors	35.00		35.00	
Audit Expenses	6.32		7.74	
Advances written off	212.57		135.83	
Donations	22.13		8.12	
Deposits Written Off	20.47	6,102.03	43.57	7,245.21
Selling Expenses				
Freight Outward	3,180.48		2,896.16	
Freight and Insurance on exports	348.36		348.40	
Export Expenses	464.16		458.78	
Liquidated Damages	168.06		248.91	
Commission On Domestic Sales	1.18		24.19	
Commission On Export Sales	166.40		38.86	
Discount to Dealers	63.41		291.51	
Advertisement	10.79		28.24	
Business Promotion	81.31		72.00	
Membership & Subscriptions	6.83		6.86	
Transit Insurance	39.70		44.34	
Royalties On Sales	14.73		87.04	
Bad debts written off	115.42		526.75	
Provision for Bad Debts	596.00		-	
Provision for Warranties	190.40		110.47	
Other Selling Expenses	352.26	5,799.50	300.50	5,483.01
Prior Period Expenditure				
Consumption of Materials	6.30		120.84	
Maintenance Expenses	71.46		12.62	
Professional	0.39		1.54	
Service Income	-		(9.12)	
Selling Expenses	37.14		154.05	
Depreciation	-		22.88	
Other Expenses	45.45	160.73	(0.52)	302.28
		26,913.58		29,836.28

Notes to Financial Statements for the year ended March 31, 2015

(Rs. In Lakhs)

	31 March 2015	31 March 2014
26.1 Payment to Auditors towards :		
Audit Fee	30.00	30.00
Tax Audit Fee	2.50	2.50
Tax Representation Fee	2.50	2.50
Service Tax	4.33	4.33
	39.33	39.33

Note : 27 Exceptional Items of (Income)/Expenditure	31 March 2015	31 March 2014
Loss on Sale of Investments	-	573.45
Loss on Fire Accident	14.53	76.45
Damaged Stocks	522.81	-
Diminution In Value of Investments	668.30	-
Profit on sale of Investments	-	(6,218.10)
Loss / (Profit) on sale of assets	451.96	(85.80)
Sales Tax Subsidy Received	(153.78)	-
	1,503.82	(5,653.98)

27.1 During the year, severe damage was caused by Hud Hud Cyclone to stocks and assets in the Company's units at Vizianagaram and SEZ, Visakhapatnam. The Company had lodged a final claim with the Insurers towards recovery of the losses. Pending final settlement of the claim by the Insurers, actual loss incurred due to damages to Inventory (net of Salvage Value) amounting to Rs. 522.81 lakhs was expensed under exceptional item and repairs and restoration expenses on assets damaged amounting to Rs. 553.85 lakhs had been expensed in their natural heads of account. The total admissible loss assessed and recommended for payment by the Surveyors, provisionally confirmed by the Management, amounting to Rs. 738.97 lakhs is recognized as other income.

Note : 28

Disclosure as per AS-20 "Earnings per share"; Face value of share : ₹ 1/- each
Computation of EPS (Basic & Diluted)

	31 March 2015	31 March 2014
Profit After Tax (Rs. in lakhs)	1,462.07	4,501.05
No. of Shares (Basic)	25,30,00,000	25,30,00,000
No. of Shares (Diluted)	25,30,00,000	25,30,00,000
EPS (Basic)	0.58	1.78
EPS (Diluted)	0.58	1.78

Notes to Financial Statements for the year ended March 31, 2015

Note : 29

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.

29.1 Contingent liabilities not provided for:

(Rs. In Lakhs)

Nature of Contingent Liability	As on 31.03.2015	As on 31.03.2014
a) Un-expired guarantees issued on behalf of the Company by banks for which the Company gave counter guarantees	14381.47	15502.65
b) Legal undertakings (LUTs) given to Custom's Authorities for clearing the imports at Nil / Concessional rate of duty pending fulfilment of export obligations, (net of the export obligations fulfilled of Rs. 9647.96 Lakhs (previous year Rs. 9739.41 Lakhs) for which the process of discharging the LUTs by the concerned authorities is at various stages).	2448.63	3609.72
c) Claims against the Company not acknowledged as debts towards :		
Excise duty	733.76	357.84
Sales Tax	496.50	317.41
Custom duty	488.70	-
Service Tax	8.51	10.68
Income Tax Dispute for Assessment Year 2009-10	65.08	65.08
Property Tax of VSEZ unit	27.64	27.64
Fuel surcharge adjustment (FSA) to the extent billed and disputed	134.38	356.40
Enhancement of Land Cost by Haryana State Industrial & Infrastructure Development Corporation Ltd, Manesar	168.44	108.82
Erstwhile promoters of SCIL Infracon Pvt Ltd	188.31	188.31
Others	11.50	11.50

(₹ In Lakhs)

	31 March 2015	31 March 2014
29.2 Estimated amount of contracts remaining to be executed on Capital account and not provided for	122.47	184.48

29.3 Investments committed by the Company in other Companies: In M/s. HBL Suntech, LLP against 60% Share in LLP (net of Rs. 18.30 Lakhs contributed as on 31-03-2015)	101.70	101.70
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Note : 30 Income tax and Sales Tax Assessments:

30.1 Income Tax:

The Company's Income Tax assessments were completed upto Financial Year 2010-11 and the tax dues as per orders were paid and charged to revenue except for disputed issues under Appeal. Tax assessments for the years 2011-12, 2012-13 and 2013-14 are pending and the tax dues as per returns filed have been fully paid. The liability, if any, in respect of such pending assessments, that may arise upon completion is not ascertainable at this stage.

30.2 Sales Tax:

The Company has paid/provided for VAT/CST as per the records and returns filed upto 31.03.2015 after considering the Input VAT on purchases and also on the basis of concessional Forms expected to be received from customers. The liability, if any, in respect of pending assessments including those relating to non-submission of concessional Forms ('C' Forms etc.) is not ascertainable at this stage. The company is in the process of collecting concessional Forms from customers for submission before the assessments are completed/finalised.

Notes to Financial Statements for the year ended March 31, 2015

Note : 31 Confirmation of Balances

The Company has 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 accounting adjustments have been made wherever found necessary. Such confirmations are awaited from some parties most of whom are Government Departments and Public Sector Undertakings.

Note : 32

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.

Note : 33

The Board of Directors in its meeting held on 14th November 2014 approved a Scheme of Amalgamation to merge a wholly owned subsidiary, SCIL Infracon Private Limited (SIPL), with the Company in terms of the provisions of Sections 391 to 394 of the Companies Act, 1956 read with other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013. The Scheme is subject to requisite regulatory and other approvals, inter-alia from the Shareholders and Creditors of the Company and sanction of the Scheme by the Honourable High Court of Judicature at Hyderabad for AP and Telangana. The Scheme, upon approval, will be effective from 1-4-2014.

Note : 34 Disclosures required to be made as per Accounting Standard (AS)

34.1 Disclosure as per AS-7 "Construction Contract"(for contracts in progress at the reporting date)

34.1.1 The Company recognised revenue based on Percentage completion method whereby stage of completion of a contract is determined with reference to the proportion that contract costs incurred (for work performed up to the reporting date) bear to the estimated total contract cost and wherever applicable after completion of inspection/certification of the work performed by the customers as stipulated in the contract.

34.1.2 In respect of Contracts in progress on 31.03.2015

(₹ In Lakhs)

	31 March 2015	31 March 2014
a) Contract revenue recognised in the period	258.86	2581.05
b) Aggregate Contract costs incurred upto the reporting date.	2703.26	2426.44
c) Aggregate amount of recognised profits upto the reporting date.	2861.33	2879.29
d) Amount of advances received from Customer outstanding as on date	166.67	310.44
e) Amount retention (Amount billed less amount received and advance adjusted)	336.18	1099.60

34.2 Disclosure as per AS-11 "Accounting for Effects of Changes in Foreign Exchange Rates" (₹ In Lakhs)

	2014-15	2013-14
a) Exchange differences arising out of settlement / translation on account of Export Sales for the year	(417.75)	1106.29
b) Exchange differences arising out of settlement / translation on account of previous year; Imports	406.67	(1951.65)
c) Exchange differences arising out of settlement / translation on account of Others	(2.57)	(20.63)
Net gain/(loss) recognised during the year	(13.65)	(865.99)

34.3 Disclosure as per AS-15 "Employee Benefits";

(₹ In Lakhs)

i) Defined Contribution Plan:		
Contribution to Defined Contribution Plan, recognised as expense for the year are as under:	2014-15	2013-14
Employer's Contribution to PF/ESI/ Pension plan	702.74	728.09
ii) Defined Benefit Plan:		

(a) Gratuity obligation of the Company :

The Company has taken a Group Gratuity Policy of LIC of India to cover the employer's obligation towards Gratuity under the payment of Gratuity Act and 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 as per the valuation made under Projected Unit Credit method and demanded by LIC of India. Apart from the said funding, the company also paid the annual risk premium to keep the policy active and recognised it as expense for the year.

Notes to Financial Statements for the year ended March 31, 2015

(₹ In Lakhs)

	2014-15	2013-14
Actuarial assumptions for Gratuity:		
Gratuity ceiling (Rs. in lakhs)	10.00	10.00
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Withdrawal rate	1% to 3%	1% to 3%
Discount rate (per Annum)	8%	8%
Salary escalation (per Annum)	4%	4%
Valuation method	PUC	PUC
Percentage of funding	100%	100%
Amount contributed/provided during the year:		
Towards Gratuity Fund	193.53	249.27
Towards Annual Risk Premium	10.46	12.65
Amount charged to Profit & Loss statement	203.99	261.92
Results of Actuarial valuation on liability & funding (as per LIC of India):		
Present value of past service benefit	1049.72	1041.29
Current Service cost	125.89	126.75
	1175.61	1168.04
Fund value at the beginning	918.76	964.72
Acquisition Adjustments	0.70	-
Interest credit to the fund	69.21	79.85
Contributions	249.27	
Claims settled	(255.86)	(125.81)
Fund value at the year end	982.08	918.76
Short fall in fund provided for	193.53	249.27
Results of independent Actuarial Valuation report for the year:		
(i) Assets/Liabilities		
Present Value (P.V) of obligation at the year end	1175.61	1168.71
Fair Value (F.V) of plan assets at the year end	982.08	918.76
Funded status	(193.53)	(249.95)
(ii) Expense to be recognised in Statement of Profit & Loss :		
Current service cost	11.69	(16.94)
Actuarial (gain)/loss	157.58	301.87
Interest cost	93.5	74.78
Settlement Cost/ (credit) benefits paid	(255.86)	(125.80)
	6.91	233.91
(iii) Changes in the Present Value (P.V) of obligation:		
P.V of obligation at the beginning	1168.70	934.80
Interest cost	93.50	74.78
Current service cost	11.69	(16.94)
Actuarial (gain)/loss	157.58	301.87
Benefits paid	(255.86)	(125.81)
P.V of obligation at the year end	1175.61	1168.70
(iv) Changes in the Fair Value (F.V) of Plan Assets:		
F.V at the beginning	918.76	964.72
Expected returns	73.50	77.18
Acquisition Adjustments	0.70	-
Contribution during the year	253.63	-
Actuarial gain/(loss)	(8.65)	2.67
Benefits paid during the year	(255.86)	(125.81)
F.V at the year end	982.08	918.76

	2014-15	2013-14
(v) Actuarial Gains / Losses :		
- on account of obligation	157.58	301.87
- on account of Plan Assets	(8.65)	2.67
Gains/losses recognised	148.93	304.54
Unrecognised gain / loss	NIL	NIL
(vi) Fair Value (F.V) of Plan Assets:		
F.V at the beginning	918.76	964.72
Actual return on Plan Assets	64.85	79.85
Acquisition Adjustments	0.70	-
Contributions	253.63	-
Claims settled	(255.86)	(125.81)
F.V at the year end	982.08	918.76
P.V of obligation at the year end	1175.21	1168.70
Fund status	(193.53)	(249.95)
	982.08	918.76
(b) Long Term Compensated Absences:		
The present value of obligation for long term compensated absences is determined on Actuarial valuation using Project Unit Credit method (PUC) and is charged to profit & loss account. The obligation is not funded.		
Provision held at the beginning of the year	217.48	164.15
Expense recognised during the year	50.29	95.89
Claims paid (encashed during the year)	(64.72)	(42.56)
Provision required and held at the year end	203.05	217.48
I. Changes in present value of obligations (P.V.O)		
PVO at beginning value of period	217.48	164.15
Interest cost	17.22	13.01
Current Service Cost	4.28	3.01
Claims paid (encashed during the year)	(64.72)	(42.56)
Actuarial (gain)/loss on obligation	28.79	79.87
PVO at end period	203.05	217.48
II. Changes in Fair Value of Plan Assets and Fair Value of Plan Assets Not applicable as the obligations are not funded		
III. Actuarial Gain/(Loss) recognized		
Actuarial (Gain)/Loss for the period recognised	28.79	79.87
Unrecognised Gain/(Loss)	NIL	NIL
	28.79	79.87
IV. Amounts to be recognized in the Balance sheet		
Present Value of Obligation at the year end	203.05	217.48
Net Asset/(Liability) recognized in the balance sheet	(203.05)	(217.48)
Net Asset/(Liability) unrecognized	-	-
V. Expense recognized in the statement of P&L a/c.		
Current Service Cost	4.28	3.01
Interest cost	17.22	13.01
Net Actuarial (Gain)/Loss recognized for the period	28.79	79.87
Less: Benefits paid	(64.72)	(42.56)
Expense recognized in the statement of P & L	(14.43)	53.33
VI. Movements in the Liability recognized in Balance Sheet		
Opening Net Liability	217.48	164.15
Add : Expense as above	50.29	95.89
Less : Benefits Paid	(64.72)	(42.56)
Closing Net Liability	203.05	217.48

Notes to Financial Statements for the year ended March 31, 2015

(₹ In Lakhs)

31.4 Disclosure as per AS-17 "Segment Reporting";	2014-15		2013-14	
Segment Revenue				
Batteries				
Exports	15,030.96		21,954.56	
Domestic sales	96,927.14	1,11,958.10	86,265.53	1,08,220.09
Electronics				
Exports	2,036.86		3,098.50	
Domestic sales	11,711.92	13,748.78	8,301.80	11,400.30
Unallocated				
Exports	67.58		108.79	
Domestic sales	8,394.36	8461.94	10825.52	10934.31
Total		1,34,168.82		1,30,554.70
Less : Inter-segment Revenue		1,161.79		2475.35
Net Revenue		1,33,007.03		1,28,079.35
Segment Result				
Batteries		14,989.36		9,095.02
Electronics		(128.92)		2,210.29
Unallocated		(972.34)		(1,622.61)
Total		13,888.10		9,682.70
Less : Interest		7,066.02		7,573.87
Exceptional Items - (Income) /Expenses		1,503.82		(5,653.98)
Unallocable expenditure net of unallocable income		2,786.64		2,552.36
Net Profit before taxes		2,531.62		5,210.45
Segment Assets				
Batteries		1,11,900.94		1,19,279.40
Electronics		19,808.07		23,965.26
Unallocated		25,711.98		33,570.19
Total Assets		1,57,420.99		1,76,814.85
Segment Liabilities				
Batteries		15,798.82		21,806.88
Electronics		86,38.83		14,795.90
Unallocated (includes Term Loans,Bank Loans, Hire Purchase Loans)		74,219.96		81,696.41
Total Liabilities		98,657.61		1,18,299.19
Segment Capital expenditure during the year				
Batteries		1,794.87		819.47
Electronics		76.87		467.28
Unallocated		1,129.29		653.35
Total		3,001.03		1,940.10
Segment Depreciation (including Amortisation of intangible Assets)				
Batteries		3,818.34		3,013.19
Electronics		464.94		202.22
Unallocated		820.57		635.54
Total		5,103.85		3,850.95

Notes:

- The company's operations include Batteries of different types, Electronics, Railway Signalling contracts etc. Except for Batteries and Electronics, the segment revenue, the segments results and the segments assets and liabilities of other activities are individually below the threshold limit of 10% as provided in AS-17 "Segment Reporting". Accordingly, Batteries and Electronics segments are shown separately as reportable segments and others are included in Unallocated segments.
- Batteries and Electronics segment comprises of various types of products for defence , aviation , telecom and industrial application.
- Inter segment revenue is measured at the market price at which the products are sold to external Customers.



Notes to Financial Statements for the year ended March 31, 2015

31.5 Disclosure as per AS-18 "Related Party Disclosure";

1	Holding Company	Beaver Engineering & Holdings Pvt Ltd, Hyderabad	
2	Subsidiaries	SCIL Infracon Pvt Ltd HBL Germancy, GMBH HBL America INC HBL Suntech LLP	
3	Joint Venture	Gulf Batteries Company Ltd., Kingdom of Saudi Arabia	
4	Controlled Companies	Kairos Engineering Limtied, Hyderabad.	
5	Associate	Naval Systems & Technologies Pvt Ltd VARP Power Pvt Ltd.,	
6	Key Management Personnel	Dr A J Prasad	Chairman & Managing Director
		M S S Srinath	Whole Time Director
		Kavita Prasad	Whole Time Director (upto 14-02-2015) and Executive from 14.02.2015
		Ashok Nagarkatti	
		K Mahidhar	Vice-President (F&A)
		M V S S Kumar	Company Secretary

Disclosure of transactions between the Company and Related parties and the status of outstanding balances as on 31st March, 2015 (₹ In Lakhs)

Sl. No	Name	Nature of Transaction	During the year Debit / (Credit)	As on 31-03-2015		
				Investments	Amount Receivable	Amount Payable
1	Holding Company	Funds Borrowed	315.00			14194.83
		Funds Repaid	180.00			
		Corporate Loans repaid	0.00			
		Interest Paid	24.26			
		Sale of Goods	830.05		536.31	
		Services Received	14.48			
2	Subsidiaries	Investment in Shares	0.00	1505.57		
		Sale of Investments	0.00			
		Loans repaid	105.63		424.37	
		Service Rendered	21.14			
		Interest Received	0.00		3583.19	
		Rent Received	0.90			
		Sale of Goods	2910.64			
		Services Received	(8.30)			8.49
		Purchase of Goods	103.17			5.34
3	Joint Venture	Investment in Shares		1424.51		
		Services Received	0.00		708.67	
		Sale of Goods	550.99			
4	Controlled Companies	Investment in Shares		9.00		
		Sale of Goods	0.00		1.49	
		Services Received				
		Funds Repaid / given	33.12		1.66	
5	Associate Companies	Sale of Investments	0.26	4.10		
		Advance for Services	0.24		0.24	
		Purchase of solar Power	12.58			
6	Key Management Personnel	Funds Borrowed	480.00			751.00
		Funds repaid	50.00			
		Sale of Goods	0.00			
		Remuneration	271.64			142.88
		Rent Paid	5.81			
		Interest Paid	60.26			

Notes to Financial Statements for the year ended March 31, 2015

(₹ In Lakhs)

34.6 Disclosure as per AS-19 "Leases";	2014-15	2013-14
Finance Leases		
Amount of Finance Lease	63.19	77.71
Less : Lease amount repaid during the period	16.37	14.52
Amount outstanding at the end of the period	46.82	63.19
Amount payable not Later than one year	18.46	16.37
Amount payable later than one year and not later than five years	28.36	46.82

34.7 Disclosure as per AS-22 "Accounting for Taxes on Income";

Major components of deferred tax assets and liabilities arising on account of timing differences are:

Deferred Tax		Current Year		Previous Year	
		Assets	Liabilities	Assets	Liabilities
1	Depreciation	-	2365.31		2840.99
2	Warranties	295.64	-	225.64	-
3	Leave Encashment	70.27	-	73.92	-
4	Gratuity	66.98	-	84.73	-
5	Bed Debts	206.26	-	-	-
	Total	639.15	2365.31	384.29	2840.99

34.8 Disclosure as per AS-27 "Financial Reporting of Interests in Joint Ventures":

S. No.	Name of the venture	Country of Incorporation	Percentage of ownership interest as on 31.03.2015	Percentage of ownership interest as on 31.03.2014
1	Gulf Batteries Company Ltd	Kingdom of Saudi Arabia	40	40

- The Company's interest in the above company is reported under the head Investment (Note-14) and stated at Cost.
- Pending receipt of Audited/Unaudited financial statements of JV company for the year ending 31-03-2015, the disclosure of the company's share of the Assets, Liabilities, Income and Expenditure is not made as required under AS-27

34.9 Disclosure as per AS-29 "Provisions, Contingent Liabilities, Contingent Assets";

Provision for Warranty:

	31 March 2015		31 March 2014	
Provision at the beginning of the year	-	663.84		553.37
Provision required for the year	648.95		509.92	
Provision reversed from the opening Balance(after warranty period)	458.55		399.45	
Charge for the year		190.40		110.47
Carrying amount		854.24		663.84

It is expected that these costs will be incurred in the next 12 to 24 months. Actual expenditure incurred during warranty period towards replacements etc. is charged off under respective heads of expenditure.

Notes to Financial Statements for the year ended March 31, 2015

Note : 35 Value of Imports on CIF

(₹ In Lakhs)

	2014-15		2013-14
Raw Materials, Components & Spares	22479.84		37750.41
Capital Items / Equipment	21.34		65.94
	22501.18		37816.35

Note : 36 Expenditure in Foreign Currency

(₹ In Lakhs)

Travelling Expenses	52.84		72.17
Professional Charges	21.48		61.29
Commission	166.40		44.26
Royalty	-		54.51
Marketing Expenses	314.03		270.84
Others	37.43		302.69
	592.18		805.76

Note : 37 Income in Foreign Currency

(₹ In Lakhs)

Export Sales (FOB Value of Exports)	17812.24		25129.48
Services	77.72		449.99
	17889.96		25579.47

Note : 38 CSR Expenditure incurred towards :

(₹ In Lakhs)

a) Promotion of Education of Children	7.98
b) Eradication of Malnutrition	8.22
c) Health Care	11.30
d) Contribution to eligible Orphanages/Oldage homes	5.74
Total	33.24

Note : 39

Previous years figures have been regrouped wherever necessary.

As per our Report of even date annexed

for M/s Satyanarayana & Co.
Chartered Accountants
FRN No. 03680 S

for M/s Rao & Kumar
Chartered Accountants
FRN No. 03089 S

On Behalf of the Board

Ch Seshagiri Rao
Partner
M.No: 18523

S S Bharadwaj
Partner
M.No: 26113

Dr A J Prasad
Chairman & Managing Director

M S S Srinath
Director

Place : Hyderabad
Date : 29th May 2015

Place : Hyderabad
Date : 29th May 2015

K Mahidhar
Vice President - Finance

M V S S Kumar
Company Secretary

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HBL POWER SYSTEMS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of HBL Power Systems Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group"), associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "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 and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group 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; the 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 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by 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 Consolidated State of Affairs of the Group, its Associates and Jointly Controlled Entities as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 30.1.1 to the consolidated financial statements which, describes the uncertainty related to the outcome of the lawsuit filed against the Company and its Subsidiary SCIL Infra Con (P) Limited.

Our opinion is not modified in respect of this matter.

Other Matters

- (a) We did not audit the financial statements / financial information of Four (4) subsidiaries, and One (1) jointly controlled entity, whose financial statements / financial information reflect total assets of Rs.6155.66 lakhs as at 31st March, 2015, total revenues of Rs.6840.73 lakhs and net cash flows amounting to Rs.(312.02) 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/loss of Rs. 50.39 lakhs for the year ended 31st March, 2015, as considered in the consolidated financial statements, in respect of two (2) associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors. (Reference is invited to Note No. 37.2).

Our opinion on the consolidated 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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies and associate companies incorporated in India to whom the Order applies, we give in the Annexure 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, to the extent applicable, 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 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, 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 Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and jointly controlled entities incorporated in India, none of the other directors of the Group's companies, its associate companies and jointly controlled entities incorporated in India are disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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, its associates and jointly controlled entities – Refer Note 30.1.1 to the consolidated financial statements.

- ii) The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii) There is an instance of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. The amount of Rs. 2.15 lakhs relating to Financial Year 2006-07 which is required to be transferred, to the Investor Education and Protection Fund in November 2014 was actually transferred by the Holding Company in April 2015. There were no such amounts in respect of its subsidiary companies, associate companies and jointly controlled companies incorporated in India.

for M/s.Rao & Kumar.
Chartered Accountants
Firm Registration No.030895

Place : Hyderabad
Date : 14th August 2015

S.S.Bharadwaj
Partner
Membership No: 26113

Annexure referred to in Paragraph 1 of 'Report on Other Legal and Regulatory Requirements' in our report of even date

The Group, comprising HBL Power Systems Limited ('Holding Company'); its subsidiary (namely SCIL Infracon Private Limited) and Associates (namely Kairos Engineering Limited and Naval Systems and Technologies Private Limited) incorporated in India and to whom the provisions of the Order apply, are together referred to as "the Covered Entities" in this report.

- (i) (a) The Holding Company and the Covered Entities have maintained year wise details of fixed assets acquired showing the relevant particulars including original cost at the time of acquisition. Based on such record of year wise additions the Holding Company and the Covered Entities have compiled and built up the Fixed Assets Register showing original costs incurred, identification details etc., location-wise.
- (b) During the year, the fixed assets were physically verified by the management of the Holding Company and the Covered Entities, in accordance with a designed programme. During the course of such physical verification certain discrepancies / differences, unserviceable items, scrapped items and non traceable items were noticed and have been properly dealt with in the books of account.
- (ii) (a) The Inventories have been physically verified by the management of the Holding Company and the Covered Entities, at reasonable intervals during the year.
- (b) The procedures of physical verification of inventories followed by the management of the Holding Company and the Covered Entities are reasonable and adequate in relation to their size and nature of their businesses.
- (c) The Holding Company and the Covered Entities are maintaining proper records of inventory. The discrepancies noticed, upon verification, between physical stocks and book records were not material and such differences have been properly dealt with in the books of account.
- (iii) The Holding Company and the Covered Entities have not granted loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, other than the loan of Rs. 424.37 lakhs granted by the Holding Company to its wholly owned Subsidiary, which had been eliminated during the process of consolidation of the financial statements.
- (iv) There are adequate internal control procedures commensurate with the size of the Holding Company and the Covered Entities and the nature of their businesses, for purchase of inventory and fixed assets and for the sale of goods and services and no major weaknesses in internal control have been reported.
- (v) The Holding Company and the Covered Entities have not accepted any deposits.
- (vi) We have broadly reviewed the books of account maintained by the Holding Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 (1) of the Companies Act, 2013 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. In respect of covered entities, as explained and reported by the auditors, who have audited the financial statements, the Central Government has not prescribed the maintenance of Cost Records under the said provisions of the act.
- (vii) (a) The Holding Company and the Covered Entities are regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. Except for Service Tax of Rs.0.68 lakhs in respect of the Holding Company, no such undisputed amounts payable were in arrears, as at 31.03.15 for a period more than six months from the date they became payable.
- (b) According to the information and explanations given to us, in the Holding Company, the following demands have not been deposited on account of disputes.

Name of the Statute	Nature of the dues and Period to which it relates	Amount in Rs. lakhs	Forum where the the Dispute is pending
Excise Act	Duty, Interest and Penalty on Intermediate goods emerged out of job works and used in the manufacture of exempted finished goods for the period from 1994-95 to 1998-99	94.85	Departmental Appeal before High Court, Mumbai
Excise Act	Penalty levied on Cenvat Credit disallowed for the year 2010-11.	5.00	Appeal Before CESTAT, Bengaluru.
Excise Act	Duty, Interest and Penalty for non-maintenance of separate CENVAT Account with respect to Input Services during April 2006 to March 2009.	186.28	Pending before Commissioner, Hyderabad.
Excise Act	Appeal against Departmental Order on Refund alleged to be wrongly granted in 2012-13.	24.37	Appeal Before CESTAT, Bengaluru
Excise Act	Duty on Job Work Charges Feb-Sept 2012.	20.31	Appeal Before CESTAT, Bengaluru
Excise Act	Duty on Job Work Charges Oct 12 - May 2013	27.03	Appeal Before CESTAT, Bengaluru
Excise Act	Appeal against alleged Irregular availment of Cenvat Credit for the period Dec-08 to Mar 14 and equal amount levied as penalty	375.92	Appeal being filed
Customs Act	Appeal against alleged evasion of duty by claiming wrong classification and exemption and equal amount levied as penalty.	488.70	Appeal being filed
Service Tax Act	Dispute with regard to Penalty levied on excess Input availed between April 2008 and December 2010.	8.51	Pending before Commissioner Appeals, Vizag.
CST Act	Dispute in Taxable Turnover relating to 3rd party exports for the year 2005-06.	35.49	Case pending before APSTAT.
KVAT Act	Dispute with regard to Penalty for stock difference during the year 2010-11.	12.04	Appeal filed before Dy. Commissioner (Appeals), Ernakulam.
TN VAT Act	Dispute regarding Input VAT availed and penalty on Capital Goods which were sold during February 2011.	46.05	Appeal filed before Appellate Deputy Commissioner(C), Chennai
AP VAT Act	Dispute regarding Input availed on LPG - during 2009-10	64.47	Appeal filed before Appellate Deputy Commissioner, Hyderabad
AP VAT Act	Dispute regarding Input availed on LPG- during 2010-11	65.19	Appeal filed before Appellate Deputy Commissioner, Hyderabad
AP VAT Act	Dispute regarding Input availed on LPG- during 2011-12	80.18	Appeal filed before Appellate Deputy Commissioner, Hyderabad

AP VAT Act	Appeal against disallowance of input credit on purchase of LPG for the year 2012-13	107.76	Appeal filed before Appellate Deputy Commissioner, Hyderabad
CST Act	Dispute in Taxable Turnover relating to 3rd party exports for the year 2007-08.	36.42	Case pending before TSSTAT, Hyderabad
CST, VAT and Entry tax Acts	Appeal against interest demand for alleged non-payment of assessed tax	18.85	Appeal pending before Joint Commissioner of Commercial Taxes, , Appeals, Patna
KVAT Act	Appeal against tax demanded on alleged undisclosed turnover for the year 2011-12	29.49	Appeal pending before Deputy Commissioner, Appeals, Ernakulam.
CST Act	Appeal against tax demanded for alleged non-submission of forms for the year 2010-11	0.56	Appeal pending before Commissioner Appeals, Lucknow.
Income Tax Act	For Asst. Year 2009-10, disallowance made and demand raised	65.08	Appeal before Commissioner of Income Tax (Appeals). Pending Dispute total tax was paid.

(c) In the Holding Company, there has been delay in transfer of the amount of Rs. 2.15 lakhs which is required to be transferred to Investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

(viii) The position of the accumulated losses exceeding fifty per cent of its net worth and cash losses incurred during the financial year and in the immediately preceding financial year by the certain Covered Entities is as follows:

Rs. in Lakhs

Name the entity	Status	Whether accumulated losses are in excess of 50% of Net Worth	Cash Loss incurred during the current financial year 2014-15	Cash Loss incurred during the immediately preceding financial year 2013-14
SCIL Infracon Private Ltd.	Subsidiary	Yes	104.54	88.95
Kiaros Engineering Ltd.	Associate	Yes	Nil	Nil

(ix) The Holding Company and the Covered Entities have not defaulted in repayment of term loan installment and interest dues to financial institutions and Banks, wherever applicable. The Holding Company and the Covered Entities have not issued any Debentures.

(x) The Holding Company and the Covered Entities have not given any guarantee for the loans taken by others from banks or financial institutions.

(xi) Wherever applicable, the loan funds have been applied for the purpose for which the loans were obtained.

(xii) No fraud on or by the Holding Company and the Covered Entities have been noticed or reported during the year.

for M/s.Rao & Kumar.
Chartered Accountants
Firm Registration No.030895

S.S.Bharadwaj
Partner
Membership No: 26113

Place : Hyderabad
Date : 14th August 2015

Consolidated Balance Sheet as at March 31, 2015

₹ in Lakhs

Particulars	Note	As at March 31, 2015		As at March 31, 2014	
I) EQUITY AND LIABILITIES					
A Share Holders' Funds					
Share Capital	2	2,530.00		2,530.00	
Reserves and Surplus	3	53,947.58	56,477.58	53,647.95	56,177.95
B Minority Interest	4		-		(129.23)
C Non Current Liabilities					
Long Term Borrowings	5	20,146.16		22,703.16	
Deferred Tax Liabilities	6	1,851.91		2,597.85	
Long-term Provisions	7	212.86	22,210.93	213.91	25,514.92
D Current Liabilities					
Short Term Borrowings	8	42,667.26		43,241.82	
Trade Payables	9	18,541.97		29,503.34	
Other Current Liabilities	10	14,314.20		19,332.46	
Short Term Provisions	7	1,984.23	77,507.66	1,897.83	93,975.45
Total			1,56,196.17		1,75,539.09
II ASSETS					
A Non Current Assets					
Fixed Assets					
Tangible Assets	11	43,009.77		47,110.38	
Intangible Assets	12	2,630.10		2,437.41	
Capital Works in Progress	13	1,558.98		2,116.87	
Intangible Assets under development	14	3,379.31	50,578.16	3,497.13	55,161.79
Non Current Investments	15	199.00		148.88	
Long Term Loans and Advances	16	1,560.22		1,273.28	
Other Non Current Assets		274.87	2,034.09	1,439.29	2,861.45
B Current Assets					
Inventories	17	51,789.32		60,845.67	
Trade Receivables	18	39,364.24		43,649.65	
Cash and Cash equivalents	19	4,829.85		5,243.19	
Short Term Loans and Advances	16	7,600.52	1,03,583.93	7,777.34	1,17,515.85
Total			1,56,196.17		1,75,539.09
Significant Accounting Policies	1				
Notes on Financial Statements	2 to 40				

As per our Report of even date annexed
for M/s Rao & Kumar
Chartered Accountants
FRN No. 03089 S

On Behalf of the Board

S S Bharadwaj
Partner
M.No: 26113

Dr A J Prasad
Chairman & Managing Director

M S S Srinath
Director

Place : Hyderabad
Date : 14th August 2015

K Mahidhar
Vice President - Finance

M V S S Kumar
Company Secretary

Consolidated Statement of Profit & Loss for the year ended March 31, 2015

₹ in Lakhs

Particulars		Note	Year Ended March 31, 2015	Year Ended March 31, 2014
A	Revenue			
	Revenue from Operations	20	1,45,228.32	1,40,028.43
	Less : Duties		10,198.08	9,279.15
	Revenue from Operations (Net)		1,35,030.24	1,30,749.28
	Other Income	21	2,155.42	970.35
	Total Revenue (A)		1,37,185.66	1,31,719.63
B	Expenses			
	Cost of Material Consumed	22	76,470.44	83,332.71
	Purchase of Traded goods		420.82	282.99
	(Increase) / Decrease in Inventory	23	6,611.69	(3,507.79)
	Employee Benefits Expenses	24	9,911.41	13,556.02
	Finance Cost	25	7,070.83	7,588.59
	Depreciation, Amortisation and Obsolescence Expense	26	5,290.98	3,946.68
	Other Expenses	27	27,709.27	27,553.51
	Total Expenses (B)		1,33,485.44	1,32,752.71
C	Profit/(loss) before Exceptional and Extra-ordinary items and Tax (A-B)		3,700.22	(1033.08)
D	Exceptional Items - (Income)/Expense	28	1,294.31	(5639.38)
E	Profit/(loss) before tax (C-D)		2,405.91	4606.30
F	Tax Expense			
	- Current Tax (MAT)		1,447.44	1,122.03
	- Less : MAT Credit Entitlement		-	(685.87)
	- Deferred Tax Changes/(Credit)		(425.56)	242.95
	- Income Tax & Wealth Tax relating to Previous Years		10.20	79.81
G	Profit after tax before share of results of Minority Interest (E-F)		1,373.83	3,847.38
H	Minority Interest - C/Y share of (Profit)/Loss		2.25	(90.66)
I	Share of Net (Profits)/Losses of Associates		(50.39)	(24.94)
J	Profit for the period (G-H-I)		1,421.97	3,962.98
K	Earnings per Equity Share	29		
	- Basic		0.56	1.57
	- Diluted		0.56	1.57
	Significant Accounting Policies	1		
	Notes on Financial Statements	2 to 40		

As per our Report of even date annexed
for M/s Rao & Kumar
Chartered Accountants
FRN No. 03089 S

On Behalf of the Board

S S Bharadwaj
Partner
M.No: 26113

Dr A J Prasad
Chairman & Managing Director

M S S Srinath
Director

Place : Hyderabad
Date : 14th August 2015

K Mahidhar
Vice President - Finance

M V S S Kumar
Company Secretary



Cash Flow Statement for the year ended March 31, 2015

(As per Clause 32 of the Stock Exchange Listing Agreement)

₹ in Lakhs

	31-Mar-2015		31-Mar-2014	
A CASH FLOWS FROM OPERATING ACTIVITIES				
Net Profit before Tax and after Minority Interest		3,748.36		4721.89
Less : Exceptional Items *		(1,294.31)		(5,639.38)
Operating Profit/(Loss) before adjustments		2,454.05		(917.49)
Adjustments for:				
Depreciation	4,575.80		3,562.57	
Amortisation of Intangible Assets	715.18		421.0	
Diminution in Value of Investments	0.00			
Deposits Written off	(20.47)		43.64	
Debit Balances written off	(217.69)		135.83	
Interest Income	(425.20)		(559.09)	
Interest Expense	1,262.52		2,672.21	
Provision for Doubtful Debts	196.00			
Exchange Variation in JV	219.00		(232.25)	
Provisions	251.87	6,557.01	335.85	6,379.76
Operating Profit before working capital changes		9,011.06		5,462.27
(Increase)/Decrease in Sundry debtors	4,089.42		(2,224.10)	
(Increase)/Decrease in Inventories	9,056.35		(16,141.33)	
(Increase) / Decrease in Loans & advances **	772.33		(2,478.86)	
Increase/(Decrease) in Current Liabilities	(14,526.46)	(608.36)	12,305.84	(8,538.45)
Cash generated from Operations		8,402.70		(3,076.18)
Income taxes paid		(513.98)		(509.34)
Net Cashflow from Operating activities (A)		7,888.72		(3,585.52)
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of fixed assets	(2,841.10)		(1,740.49)	
Disposal of Subsidiary			17,506.16	
Sale of Investments(Net)	(50.13)		123.15	
Sale of fixed assets	1,191.03		404.60	
Net outflow on account of minority interest	2.25		(90.66)	
Interest Received	425.20		559.09	
Net Cash flow from investing activities (B)		(1,272.75)		16,761.85
C CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long-term borrowings	10,450.00		144.08	
Repayment of long-term borrowings	(14,270.67)		(17,675.58)	
Proceeds from working capital borrowings	(4,459.49)		7355.18	
Repayment of Interest Free Sales Tax Loan	(319.38)			
Increase(+)/Decrease(-) in unsecured loans	3,831.29		1,800.00	
Dividend payment	(591.99)		(441.06)	
Interest Paid	(1,262.52)		(2,672.21)	
Net cash flow used in financing activities (C)		(6,622.76)		(11,489.59)
NET INCREASE IN CASH and CASH EQUIVALENTS (A+B+C)		(6.79)		1,686.74
Cash and Cash equiv.at beginning of the period		2,153.90		1,608.27
Cash and Cash Equivalentes on Disposal of Subsidiary				(1,141.11)
Cash and Cash equiv. at end of the period		2,147.11		2,153.90
Cash and Cash equivalents (Rs.Lakhs)				
Cash on hand		16.30		19.37
Balances with Banks(current a/c & term deposits)		2,130.81		2,134.53
Total		2,147.11		2,153.90

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 31-03-2015

- This statement is prepared as per Accounting Standard-3 (indirect method) and as per clause 32 of the Listing Agreement.
- * Details of the Exceptional Items are given in Note 28.
- ** Including Bank Balances Other than Cash and Cash Equivalents
- Previous year's figures were re-grouped wherever necessary.

As per our Report of even date annexed
for M/s Rao & Kumar
Chartered Accountants
FRN No. 03089 S

On Behalf of the Board

S S Bharadwaj
Partner
M.No: 26113

Dr A J Prasad
Chairman & Managing Director

M S S Srinath
Director

Place : Hyderabad
Date : 14th August 2015

K Mahidhar
Vice President - Finance

M V S S Kumar
Company Secretary

Notes Forming Part of Consolidated Balance Sheet

Note: 1

Significant Accounting Policies adopted for Preparation and Presentation of Consolidated Balance Sheet (CFS)**A Basis for preparation of financial statements:**

- a) The financial statements of the Parent Company, Subsidiaries, Joint Venture Companies, Associate Companies in India are prepared based on the accounts maintained under historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) with revenues recognized and expenses accounted on accrual basis, including committed obligations and also in accordance with the Provisions of the Companies Act, 1956 and Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006 prescribed by the Central Government. The financial statements of Foreign Subsidiaries and Joint Venture Companies are prepared based on the accounts maintained as per Local Laws of the respective Countries. Such financial statements are considered for preparation and presentation of the CFS.
- b) The preparation of financial statements requires that the management of the company makes estimates and assumptions that affect the reported amount of income and expenses for the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as at the date of the financial statements. Examples of such estimates include useful lives of some of the tangible and intangible assets, provision for doubtful debts/advances, future obligations in respect of retirement benefit plans, provision for warranties etc. Differences, if any, between the actual results and estimates is recognized in the period in which the results are known.

B. Principles of consolidation:

- a) As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Parent's separate financial statements.
- b) The financial statements of the Parent Company and its Subsidiaries are consolidated following Accounting Standard (AS-21), substantially on a line by line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after eliminating intra group balances and intra group transactions and unrealized profits / losses on intra group transactions and are presented to the extent possible, in the same manner as the Company's independent financial statements. Where details of line by line items are not readily available, such items have been grouped under major heads of respective items.
- c) In respect of Investment in Joint Venture Companies, the Company's interest in the assets, liabilities, income, expenses and other obligations is included using proportionate consolidation method as per Accounting Standard (AS-27).
- d) Investments in Associate Companies are accounted for, by using "equity method" (as per Accounting Standard (AS - 23) whereby investment is initially recorded at cost and the carrying amount is adjusted thereafter for post acquisition changes in the Company's share of net assets of the associate.

C Tangible Assets and Depreciation:

- a) Tangible Assets are stated at original cost, net of recoverable taxes and duties, less cumulative depreciation and impairment. Administrative and other general overheads including borrowing costs that are specifically attributable to acquisition of Assets or bringing Fixed Assets into their working condition are allocated / apportioned and capitalised as part of cost of the Asset. Premium paid for acquiring Leasehold Lands along with directly related expenditure is considered as tangible asset.
- b) Depreciation on Tangible Assets including those on leasehold premises is provided under straight line method over the useful life of assets specified in Part 'C' of Schedule II to the Companies Act, 2013 and in the manner specified there in, except in respect of Dies and Moulds used and 'Secured Land Filling' (used for disposal of Lead slag) which are depreciated over their estimated useful lives of 5 years and 10 years respectively on Straight Line Method. Assets costing less than Rs.5,000/- are fully depreciated in the year of purchase. Cost of acquisition of Leasehold Land is amortised over the lease period.
- c) Depreciation on Tangible Assets of Subsidiaries in USA, Germany and Joint Venture in Kingdom of Saudi Arabia (KSA) is accounted on straight line basis over their expected / estimated useful lives.

D Intangible Assets and Amortisation:

- a) 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. Expenditure incurred for creating infrastructure facilities where the ownership does not rest with the company and where the benefits from it accrue over a future period is also considered as Intangible Asset.
- b) 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. Goodwill paid for purchase of Business (in HBL Suntech LLP) and Goodwill representing the difference between the Group's share in the net worth of a subsidiaries and the cost of acquisition at each point of time of making the investments in the subsidiaries is also considered as Intangible Asset.
- c) Expenditure capitalised under 'Intangible Assets' is amortised over a period of 60 months from the month of commencement of commercial production/utilisation of facility. Goodwill paid for purchase of business is amortised over a period of 60 months. Technical know fee paid for Electronic Products is amortised over a period of 60 months from commercial production. Technical know fee paid for Other Products is amortised over a period of 10 years from commercial production.
- d) Goodwill at the time acquisition of Subsidiaries.
Goodwill represents the difference between the Group's share in the net worth of a subsidiary or an associate and the cost of acquisition at each point of time of making the investment in the subsidiary or the associate. For this purpose, the Group's share of net worth is determined on the basis of latest financial statements prior to the date of acquisition after making necessary adjustments for material events, if any, between the date of such financial statements and the date of respective acquisition. Capital reserve on consolidation represents negative goodwill arising on acquisition.
- e) Amortisation on impaired intangible assets is adjusted in the future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.
- f) Impairment of Assets:

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is recognised when an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there is a change in the estimate of recoverable amount.

Notes Forming Part of Consolidated Balance Sheet

E Assets taken under leases:

- a) In respect of Equipment taken under finance leases, the fair value of the leased asset is recognised as an asset and corresponding liability is created. The finance charges are allocated to period over the lease term and are charged off.
- b) In respect of Equipment taken under operating lease, lease payments are recognised as expense on straight line basis over the lease term.

F Capital Work in Progress (CWIP):

- a) Tangible CWIP includes Plant and Equipment under erection, Civil works in progress and preoperative expenses pending allocation to the related assets.
- b) Intangible Assets Under Development includes:
 - 1 New Product Expenditure where development is in progress
 - 2 Payments made towards fees for software licences, technical knowhow, Infrastructure/logistic facilities etc., and also includes all related expenditure incurred upto absorption of technology and completion of Development.

G Foreign Currency Transaction / Translations:

- a) Transactions relating to non-monetary items and Purchase and Sale of goods/services denominated in foreign currency are recorded at the exchange rate prevailing or a rate that approximates the actual rate on the date of transaction. Assets & Liabilities in the nature of monetary items denominated in foreign currencies are translated and restated at prevailing exchange rates at the Balance sheet date. Income or expense arising on account of exchange rate difference either on settlement or on translation is recognised in the Statement of Profit & Loss.
- b) The accounts of foreign subsidiaries and joint venture companies, which are reported in respective currencies of the countries in which they are situated, are translated using 'Translation of the Financial Statements of Foreign Operations' as prescribed under Accounting Standard (AS – 11). The translation differences is reported as "Exchange Variation Reserve".

H Investments:

- a) Investments in associate companies are accounted for using 'equity method' prescribed in Accounting Standard (AS) – 23.
- b) Investments in other than in associate companies are accounted for as per the method prescribed in Accounting Standard (AS) – 13.

I Income Recognition:

- a) Sales Revenue is recognised on despatch to customers as per the terms of the order. Sales are disclosed at net of returns/ trade discounts and inclusive of Excise duty billed to customers. Inter Divisional Transfers are not recognised as Revenue.
- b) Service Income is recognised on the basis of bills submitted as per the terms of the order.
- c) Revenue from Short Term contracts involving Supply and Service, where price breakup is available, is recognised -
 - i) In respect of Supplies when goods are delivered to customers unconditionally; and
 - ii) In respect of Service on completion of Service and bills submitted as per terms of the order.
- d) In case of contracts (Long Term) of complex equipment/systems/development order where the normal cycle time for completion is spread over two or more accounting periods, revenue is recognised, subject to provision for anticipated losses, based on percentage completion as certified by technical committee/customers acceptance wherever applicable.
- e) Dividends are recognised as income when the right to receive the dividend is established.
- f) Income from interest bearing deposits with Banks and others is recognised on accrual basis.
- g) Interest on Income tax refunds, if any, is recognised on determination or on receipt, whichever is earlier.
- h) Subsidies from Government are recognised when received.

J Inventories: Inventories at the year end are valued as under:

a) Raw Materials, Components, Consumables and Stores & Spares.	At lower of weighted average cost and net realisable value.
b) 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.
c) Long Term contract work in progress (where the income its not eligible for recognition as per Income recognition policy stated above).	At direct and attributable costs incurred in relation to such contracts.
d) Stock In Trade	At lower of cost and net realisable value
e) Consumable Tools	At cost less amount charged off (which is at 1/3rd of value each year).

* Cost of Material is net of Cenvat/VAT availed on all items.

* Stock of Finished Goods at Factories and at Branches are inclusive of Excise Duty.

* Customs Duty payable on Bonded Stock/ in transit is provided for and is included in the value of such stocks.

* Inventory arising out of inter divisional transfers is valued at cost to the transferring division after eliminating unrealised profit, if any.

Notes Forming Part of Consolidated Balance Sheet**K Employee Benefits:****a) Short term Benefits:**

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

b) Post-employment benefits:**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.

Defined benefit plans:

The Company's obligation towards Gratuity is a defined benefit plan. The present value of the estimated cash flows of the obligation under such plan is determined based on actuarial valuation using the Projected Unit Credit method. Actuarial gains and losses are recognised immediately in the profit and loss Statement. The contribution made is recognised as expense.

c) Long Term employee benefits:

The obligation for long term employee benefits such as long term compensated absences is recognised in the similar manner as in the case of defined benefit plans as mentioned in (b) (ii) above.

L Provisions, Contingent Liabilities and Contingent Assets:**a) Provision for liabilities is recognised if :**

- i) the Company has a present obligation as a result of a past event
- ii) a probable outflow of resources is expected to settle the obligation and
- iii) the amount of obligation can be reliably estimated

b) Reimbursement of expenditure is recognised only upon virtual certainty of receipt.**c) Contingent liability is disclosed but is not provided for, in respect of a present obligation or a possible obligation which do not require an out flow of resources or where the likelihood of such out flow is remote.****d) Contingent assets are neither recognised nor disclosed.****e) Provisions and contingent liabilities are reviewed at each Balance sheet date and are adjusted to reflect the current best estimate.****M Taxes on Income/Deferred Tax:****a) Current Tax on Income is determined and provided on the basis of taxable income computed in accordance with the provisions of the Income Tax Act, 1961. In the year in which 'Minimum Alternative Tax ' (MAT) on book profits is applicable and paid, eligible MAT credit equal to the excess of MAT paid over and above the normally computed tax, is recognised as an asset to be carried forward for set off against regular tax liability when it is probable that future economic benefit will flow to the Company within the MAT credit Entitlement period as specified under the provisions of Income Tax Act, 1961. The carrying amount of MAT Credit entitlement is reviewed and adjusted wherever required at each Balance Sheet date.****b) Deferred tax resulting from timing differences between accounting Income and taxable Income is recognised and accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. The Deferred tax Asset is recognised and carried forward only to the extent that there is reasonable certainty that the Asset will be realised in future. The carrying amount of 'Deferred Tax Asset' is reviewed and adjusted at each Balance Sheet date.****N Segment accounting :****a) Segment accounting policies:**

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting.

Notes Forming Part of Consolidated Balance Sheet

- i) Segment revenue includes sales and other income directly identifiable with/allocable to the segment and also inter-segment revenue. Income which relates to the Group as a whole and not allocable to segment is included under 'Unallocable Corporate Income'.
- ii) Expenses that are directly identifiable with/allocable to segments are considered for determining the segment result. Expenses which relate to the group as a whole and not allocable to segments are included under 'unallocable corporate expenditure'.
- iii) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilities that relate to the Group as a whole and not allocable to any segment.

b) Inter-segment transfer pricing:

Segment revenue resulting from transactions with other business segments is accounted for on the basis of transfer price agreed to between the segments. Such transfer price is determined to yield a desired margin.

O Cash Flow statement:

Cash Flow statement is reported using indirect method as per Accounting Standard, (AS)-3.

P Prior period and Extra-ordinary items/Exceptional items:

- a) Items of Prior period Income and Expenditure are disclosed distinctly.
- b) Items of Income/ Expense/Loss, which are exceptional and non recurring in nature, are considered as Exceptional/Extraordinary items and are disclosed distinctly for determination of net profit/loss for the period.

Note : 2

Share Capital

₹ in lakhs

	31 March 2015	31 March 2014
Authorised		
30,00,00,000 Equity shares of ₹1 each (Previous Year 30,00,00,000 Equity shares of ₹ 1 each)	3,000.00	3,000.00
Issued , Subscribed and fully paid-up		
25,30,00,000 Equity shares of ₹ 1 each (Previous Year 25,30,00,000 Equity shares of ₹ 1 each)	2,530.00	2,530.00
	2,530.00	2,530.00

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

₹ in lakhs

	31 March 2015		31 March 2014	
Equity Shares	No.of Shares	Value	No.of Shares	Value
At the beginning of the period	25,30,00,000	2,530.00	25,30,00,000	2,530.00
Issued during the period	-	-	-	-
Outstanding at the end of the period	25,30,00,000	2,530.00	25,30,00,000	2,530.00

2.2 Terms/rights attached to equity shares

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

2.3 Shares held by holding/ultimate holding company

Out of equity shares issued by the company, details of shares held by its holding company is as below :

	31 March 2015	31 March 2014
Name of the Shareholder	No.of Shares	No.of Shares
Beaver Engineering & Holdings Private Limited	14,30,59,443	14,30,59,443

Notes Forming Part of Consolidated Balance Sheet

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

Name of the Shareholder	31 March 2015		31 March 2014	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Equity shares of ₹1 each fully paid				
Beaver Engineering & Holdings Private Limited	14,30,59,443	56.55	14,30,59,443	56.55
Dr. A J Prasad	2,76,54,500	10.93	2,76,54,500	10.93
Citigroup Global Markets Mauritius Private Limited	-	-	1,67,01,761	6.60
Reliance Capital Limited	-	-	1,43,60,000	5.68

Note : 3

₹ in lakhs

Reserves and Surplus	31 March 2015		31 March 2014	
Capital Reserve		1.02		1.02
Investment Subsidy from State Government		55.77		55.77
Securities Premium Account				
Opening Balance	10,437.77		13,360.61	-
Less : On Account of disinvestment of Subsidiary	-	10,437.77	2,922.84	10,437.77
Employee stock options outstanding				
Opening Balance	-		74.97	
Less : On account of disinvestment of Subsidiary during the year	-	-	74.97	-
General Reserve				
Opening Balance	36,500.00		36,012.12	
Less : On Account of disinvestment of Subsidiary	-		12.12	
	605.35		-	
Less : Adjustment on account of depreciation based on New Companies Act, 2013 (Refer Note : 11.1)				
Add : Transferred from Profit & Loss Account	500.00	36.394.65	500.00	36,500.00
Exchange Variation Reserve		(28.78)		(269.45)
Surplus as per Profit & Loss Account		7,149.16		6,963.19
Total		54,009.59		53,688.30
Share of Joint Venture				
Exchange variation Reserve		-		-
		(62.01)		(40.35)
Grand Total		53,947.58		53,647.95
Surplus/(deficit) in the statement of profit and loss				
Balance as per last financial statements	6,963.19		2,448.35	
Add : On Account of disinvestment of Subsidiary	-		1,643.85	
Less: Transferred from Minority Interest Group	126.98		-	
	6,836.20		4,092.20	
Add : Profit for the Period	1,421.97	8,258.17	3,962.98	8,055.18
Less : Dividend on Equity Shares	506.00		506.00	
Tax on Dividend	103.01		85.99	
Transfer to General Reserve	500.00	1,109.01	500.00	1,091.99
		7,149.16		6,963.19

Note : 4

₹ in lakhs

Minority Interest	31 March 2015	31 March 2014
In Reserves & Surplus	-	(129.23)
	-	(129.23)

4.1 Minority Interest

HBL Suntech LLP

Opening Balance :

Minority Interest in Reserves & Surplus	(129.23)
Share of Profit/(Loss) for the year 2014-15	(129.23)
Less : Transferred to Reserves & Surplus (P&L A/c)	2.25
	(126.98)

Balance on 31.03.2015

-

The Minority partner in LLP agreed to contribute Rs. 80.00 Lakhs towards Capital as per LLP Agreement which is yet to be contributed. In view of the binding contractual obligation to contribute the capital and proportionate share of losses as per Article 5 of the LLP agreement dated 11.10.2011, the share of loss up to 31.03.2014 is considered as due and recoverable and accordingly the adverse balance is shown as minority interest. Further, in view of closure of activity of LLP, non contribution of Equity and share of losses by the Minority Partner, the proportionate share of loss of Minority Partner is adjusted against the Reserves of majority interest as per paragraph 26 of Accounting Standard(AS)-21.

Note : 5 : Non-Current Liabilities

₹ in lakhs

Long-Term Borrowings	31 March 2015		31 March 2014	
A) Secured Loans from	Non-current	Current	Non-current	Current
IDBI Bank Limited	1,250.00	-	1,713.60	2,371.60
State Bank of India	-	-	2,159.63	1,451.38
State Bank of Hyderabad	-	-	1,050.00	905.83
ICICI Bank Ltd	-	-	2,300.00	2,300.00
HDFC Bank Ltd	3,831.00	5,369.00	-	-
	5,081.00	5,369.00	7,223.23	7,028.81
B) Loans from Others				
HDFC Ltd	-	-	62.21	54.75
Against Vehicles from HDFC Bank	47.99	50.10	-	-
Others (Refer Note : 5.3)	216.15	30.42	234.33	12.00
	264.14	80.52	296.53	66.75
C) Unsecured (Refer Note : 5.4)				
Interest Free Sales Tax Loan (Deferred Payment Liability)	849.75	321.87	1,171.62	319.38
Loan from HPFSIPL	62.90	40.48	103.38	35.86
Finance Lease Obligations from HPFSIPL	28.37	18.46	46.83	16.37
Loan from Holding Company	13,800.00	-	13,800.00	-
Lease Finance Obligation	-	1.63	1.57	1.49
Others	60.00	-	60.00	-
	14,801.02	382.44	15,183.40	373.09
Total	20,146.16	5,831.96	22,703.16	7,468.65
Share of Joint Venture	-	-	-	-
Grand Total	20,146.16	5,831.96	22,703.16	7,468.65

5.1 Current Maturities of Long Term Loans

Instalments due within 12 months from the date of Balance Sheet classified as current as shown above are disclosed under " Other Current Liabilities"

5.2 Term Loans :

HBL Power Systems Ltd. (Parent Company)

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

Notes Forming Part of Consolidated Balance Sheet

5.2.1 Term Loan from IDBI and HDFC

The capex term loan of Rs.2500 lakhs is sanctioned by IDBI Bank for setting up of Spun Concrete Poles unit with a project cost of Rs.3350 lakhs with a capacity of 100,000 poles p.a. at Narsaraopet, Guntur District, Andhra Pradesh. The loan is secured by pari passu first charge on the entire fixed assets of the company both present and future. This loan is also guaranteed by Managing Director, another Director, Smt. A. Umadevi and Smt. Kavita Prasad in their personal capacities.

Term Loan I of Rs.7200 lakhs is to refinance the existing debt and Term Loan II of Rs.2000 lakhs is towards the refinancing of capital expenditure of the Company. Both the loans are secured by a first charge on the entire fixed assets of the Company both present and future. These loans are also guaranteed by Managing Director, another Director and Kavita Prasad in their personal capacities.

₹ in lakhs

Name of the Bank	Loan Amount Drawn	No of Instalments	% of Interest	Outstanding Ason 31-03-2015
IDBI BANK LIMITED - Term Loan I	1250.00	12 (QTLY) commencing from 1-10-2016	13.25	1250.00
HDFC BANK LTD - Term Loan I	7200.00	9 (QTLY) commencing from 1-04-2015	10.85	7200.00
- Term Loan II	2000.00	4 (HY) commencing from 30-09-2017	11.00	2000.00

5.2.2 Other Loans :

HDFC Bank

The Term Loans for acquiring vehicles are secured by exclusive hypothecation of vehicles acquired through execution of D.P. Note.

5.3 HBL USA : ₹ 246.32 Lakhs being loan in the form of Note entered into with The State of Connecticut Department of Economic & Community Development ,USA which is repayable from 01.10.2014 in 96 monthly instalments at an interest rate of 2% and is secured by corporate assets.

5.4 Unsecured Loans

a) Interest Free Sales Tax Loan (IFST):

IFST Loan of ₹ 1171.62 l lakhs shown under unsecured loan represents the Sales tax payable by the Company given as Loan by A.P State Government under a scheme, to be repaid without interest after 14 years from the date of availment. The loan requires creation of a charge on the assets of the Company. Pending creation of charge, the amount is shown as 'Unsecured Loan' to be regrouped as Secured Loan as and when the charge is created.

(b) Term Loan from Hewlett-Packard Financial Services India Pvt Ltd (HPFSIPL) towards implementation of SAP Project is repayable in 20 quarterly instalments from the date of loan with interest at the rate ranging between 11% and 13%. The loan is also guaranteed by a Director of the Company.

(c) Finance Lease of Assets from Hewlett-Packard Financial Services India Pvt Ltd (HPFSIPL) for Implementation of SAP Project is repayable by way of lease rentals over a period of 5 years and is also guaranteed by a Director of the Company.

(d) Loan from Holding Company is Interest free and is repayable after a moratorium period of 10 years from the date of first drawl.

5.4.1 Unsecured Loan from Others

SCIL Infracon Pvt. Ltd : From others ₹ 60.00 Lakhs

5.5 There were no continuing defaults as on the Balance Sheet date in repayment of loan instalments and interest.

Notes Forming Part of Consolidated Balance Sheet

Note : 6 Deferred Tax Liability (Net)

₹ in lakhs

	31 March 2015	31 March 2014
Deferred Income Tax Liability (As per last Balance Sheet)	2,597.85	4,492.24
Less: On Account of disinvestment of Subsidiary	-	2,137.34
Less : Adjustment on account of Depreciation Base On New Companies Act, 2013 (Refer Note 11.1)	320.38	-
Add: Deferred Income Tax Liability/Asset for the year	(425.56)	(242.95)
Total	1,851.91	2,597.85
Share of Joint Venture	-	-
Grand Total	1,851.91	2,597.85

Note : 7 Provisions

₹ in lakhs

	31 March 2015		31 March 2014	
	Long-Term	Short-Term	Long-Term	Short-Term
Provision for Employee benefits				
Provision for Earned Leave Encashment	197.89	5.16	203.00	14.49
Provision for Gratuity	-	193.53	-	249.27
Other Provisions				
Provision for Warranties	-	854.24	-	663.84
Provision for Excise & Customs Duty on Closing Stocks	-	209.15	-	378.24
Provision for Commission on Profits	-	113.14	-	-
Provision for Proposed Equity Dividend	-	506.00	-	506.00
Provision for Tax on Proposed Equity Dividend	-	103.01	-	85.99
Total	197.89	1,984.23	203.00	1,897.83
Share of Joint Venture	14.97	-	10.91	-
Grand Total	212.86	1,984.23	213.91	1,897.83

Current Liabilities

Note : 8

₹ in lakhs

	31 March 2015		31 March 2014	
Short Term Borrowings (Loans repayable on Demand)				
Secured				
Working Capital Loans from				
State Bank of India	12,424.94		13,748.63	
State Bank of Hyderabad	1,910.18		2,547.42	
IDBI Bank Ltd	3,321.25		3,625.62	
IDBI Short Term Loan	1,800.00		-	
ICICI Bank Ltd	3,706.43		4,979.79	
Axis Bank Ltd	2,938.21		3,972.10	
Axis Bank Ltd Export Packing Credit	-		980.53	
Buyers Credits from Banks	4,730.94		5,437.36	
Agile Group Working Capital Loans	-		-	
Unsecured (from Banks)		30,831.95		35,291.45
Purchase Bill Discounting from				
Kotak Mahindra Bank Ltd		1,691.38		2,336.38
Purchase Bill Discounting from IDBI Bank Ltd		3,353.20		1,430.40
Sale Bills (LC backed) Discounted with SBI		1,391.96		1,065.18
Sale Bills (Clean) Discounted with Yes Bank Ltd		1,767.77		-
Sale Bills (LC backed) Discounted with ICICI Bank Ltd		-		79.19
HDFC Short Term Loan		2,500.00		1,500.00
Yes Bank Ltd EPC		-		882.59
Yes Bank Ltd Current Account		-		90.63
Unsecured (from others)				
Inter Corporate Deposit from Ultimate Holding Company		380.00		245.00
Loans from Directors		751.00		321.00
Total		42,667.26		43,241.82
Share of Joint Venture		-		-
Grand Total		42,667.26		43,241.82

Notes Forming Part of Consolidated Balance Sheet

8.1 HBL Power Systems Ltd.

8.1.1 Working Capital Loans

The Working Capital Loans from the State Bank of India, State Bank of Hyderabad, IDBI Bank Ltd, ICICI Bank Ltd and Axis Bank are secured by a first charge on all the chargeable current assets and by a second charge on the fixed assets (both present and future) of the Company. All the loans are also guaranteed by Managing Director, two other Directors of the Company, and Smt. A. Uma Devi in their personal capacities.

8.1.2 Purchase Bill Discounting from Kotak Mahindra Bank Ltd. Is guaranteed by CMD and a Director of the Company in their personal capacity.

Purchase Bill Discounting from IDBI Bank Ltd. Is secured by accepted bill of exchange and post dated cheque/standing instructions for making payment on due date

8.1.3 The facilities extended by YES Bank are secured by subservient charge on all the current and movable fixed assets of the company. Further the facilities are guaranteed by Managing Director and one other promoter director of the Company.

8.1.4 Working Capital Short Term Loan from HDFC Bank is secured by personal guarantee of CMD and is repayable within 90 days with interest @10.50% p.a.

8.1.5 Loan from Holding Company is Interest free and is repayable after a moratorium period of 10 years from the date of first drawl.

8.1.6 Loan from Directors is repayable on demand with interest @ 12% p.a.

Note : 9

₹ in lakhs

Trade Payables	31 March 2015	31 March 2014
Trade Payables	17,618.21	28,370.48
Due to MSMED	624.39	971.97
Total	18,242.60	29,342.45
Share of Joint Venture	299.37	160.89
Grand Total	18,541.97	29,509.34

Notes Forming Part of Consolidated Balance Sheet

Note : 10

₹ in lakhs

Other Current Liabilities	31 March 2015	31 March 2014
Current Maturities of Long-Term Debt (Refer Note : 5.1.1)	5,831.96	7,468.65
Other Payable Employees	1,178.13	1,543.56
Trade Deposits	229.52	213.60
Advances Against Sales	4,234.45	6,801.15
Statutory Dues	544.41	439.52
Interest Accrued and Due	-	34.09
Interest Accrued But not Due on Loans	173.70	185.06
Unpaid/unclaimed Dividends *	33.33	27.66
Directors Current Account	142.84	171.53
Creditors Capital Expenditure	621.87	523.39
Other Payables	1,275.82	1,847.87
Total	14,266.03	19,256.08
Share of Joint Venture	48.17	76.38
Grand Total	14,314.20	19,332.46

* Dividend amount pertaining to F.Y.2006-07 of Rs.214714/- due for remittance on 09.11.2014 was remitted to Investor Education & Protection Fund on 21.04.2015.



Note : 15
Non-Current Investments (at Cost)

₹ in lakhs

No. of Equity Shares Held	Face Value	Details	31 March 2015		31 March 2014	
i) Investment in Equity						
a) Subsidiary Companies						
41000 (41000)	₹ 10	Naval Systems & Technologies Pvt Ltd	4.10		4.10	
	₹ 10	Cost of acquisition	191.50		141.16	
		Add/(Less) :Group Share of Profits/(Losses) upto the Balance Sheet date	195.60		145.26	
90000 (90000)	₹ 10	Kairos Engineering Ltd.	9.00		9.00	
		Cost of acquisition	9.00		9.00	
		Add/(Less) :Group Share of Profits/(Losses) upto the Balance Sheet date	(5.70)		(5.74)	
b) Other Companies (Quoted)						
200 (200)	₹ 10	Indian Lead Ltd	0.10		0.10	
2600	₹ 10	VARP Power Pvt Ltd	-		0.26	
B. Current Investment as or below cost)						
Share of Joint Venture			-		-	
Total			199.00		148.88	

15.1 All Investments are Trade and Un quoted (unless other wise stated) and are classified as permanent (Non Current).

Aggregate amount of Quoted investments	₹ 0.10	₹ 0.10
Aggregate Market Value of Quoted Investments	Not Available	Not Available

Notes Forming Part of Consolidated Balance Sheet

Note : 16

Loans and Advances

₹ in lakhs

	31 March 2015		31 March 2014	
	Long-Term	Short-Term	Long-Term	Short-Term
Provisions for Employee benefits				
Loans and Advances				
Capital Advances				
Secured, Considered Good	-	-	-	-
Unsecured, Considered Good	483.48	-	466.49	-
(A)	483.48	-	466.49	-
Security Deposits				
Secured, Considered Good	-	-	-	-
Unsecured, Considered Good	1,070.55	310.89	791.66	316.65
(B)	1,070.55	310.89	791.66	316.65
Loans & Advances to Related Parties				
Unsecured, Considered Good	-	1.90	-	37.68
(C)	-	1.90	-	37.68
Other Loans & Advances				
Loans and advances to Employees	6.19	70.49	14.83	79.41
Deposits/Balances with Excise/Sales Tax Authorities	-	651.68	-	932.08
Advance for investment pending allotment	-	13.97	-	-
Advances for Purchases and Others	-	2,350.05	-	2,422.72
Interest Accrued But not Due on Deposits	-	544.84	-	515.04
Service Tax Input/Vat Receivables	-	356.38	-	412.28
Claims & Other Receivables	-	1,365.57	-	411.44
Other Advances	-	442.15	-	177.01
Income Tax Refunds Receivable	-	8.53	-	77.32
Preliminary Expenses	-	-	0.30	-
MAT Credit Entitlement	-	767.60	-	1,423.40
(D)	6.19	6,571.26	15.13	6,450.70
Advance Payment of Income Tax (including TDS)		3,131.79		2,616.60
Less : Provision for Income Tax/Wealth Tax		2,455.48		1,652.41
(E)		676.31		964.19
Total (A+B+C+D+E)	1,560.22	7,560.36	1,273.28	7,769.22
Share of Joint Venture		40.15	-	8.12
Grand Total	1,560.22	7,600.52	1,273.28	7,777.34

16.1 Particulars of Loans and Advances due from the Related Parties

₹ in lakhs

	31 March 2015	31 March 2014
Kairos Engineering Ltd (Associate Company)	1.66	34.78
Naval Systems & Technologies Pvt Ltd	0.24	-
Sankhya Infotech Ltd.	-	2.90
	1.90	37.68

Notes to Financial Statements for the year ended March 31, 2015

16.2 Claims & Other Receivables Include

₹ in lakhs

	31 March 2015	31 March 2014
a) Insurance claim on account of Hud Hud Cyclone (Refer Note : 28.1)	738.95	-
b) Insurance claim on account of heavy rainfall (Refer Note : 16.3)	95.16	102.70
c) Payments under protest for pending litigations	180.29	114.70
d) Other Receivables	351.17	194.04
	1,365.57	411.44

16.3 During the financial year 2011-12, due to heavy rainfall, there was a damage to one of the factory buildings and incidental damage to Plant & Machinery and stocks in process. The assets were insured under reinstatement value policy which was in force as on the date of incident. The total cost for repairing, rebuilding the factory shed/acquiring related machinery and damaged inventory is estimated at ₹ 264.00 Lakhs. The company is in the process of restoring the damaged assets and the cost incurred in this regard upto 31.03.2015 was ₹ 95.16 Lakhs, which is included in Claims & Other Receivables. The Company has received repudiation letter from the Insurer and the company has filed a case against the Insurer. The case is expected to come up for hearing shortly.

Current Assets

Note : 17 Inventories *

₹ in lakhs

	31 March 2015	31 March 2014
Raw Materials	30,790.47	32,042.11
Stores, Spares, Process Chemicals, Fuels & Packing Material	473.42	467.45
Stock -in-trade (in respect of goods acquired for trading)	786.57	479.98
Bonded Stocks	2,409.07	3,696.23
Consumable Tools	23.13	10.69
Salvagable Stocks	87.83	-
Work In Progress	12,783.80	17,599.08
Finished Goods	4,354.93	6,497.57
Total	51,709.22	60,793.11
Share of Joint Venture	80.10	52.56
Grand Total	51,789.32	60,845.67

* Valuation of Inventories carried out as per Accounting Policy J of Note No. 1

Note : 18 Trade Receivables

₹ in lakhs

	31 March 2015		31 March 2014	
	Long Term	Short Term	Long Term	Short Term
Outstanding for a period exceeding six months from the date they are due for payment				
Secured, Considered Good				
Unsecured, Considered Good		6,123.60		8,878.10
Provision for Doubtful Receivables		196.00		-
(A)	-	5,927.60	-	8,878.10
Other Receivables				
Secured, Considered Good		-		-
Unsecured, Considered Good		33,073.99		34,607.35
(B)	-	33,073.99	-	34,607.35
Total (A+B)	-	39,001.59	-	43,485.45
Share of Joint Venture		362.65		164.20
Grand Total	-	39,364.24		43,649.65

Notes Forming part of consolidated Statement of Profit & Loss

Note : 19 Cash and Bank Balances

₹ in lakhs

	31 March 2015		31 March 2014	
	Non-Current	Current	Non-Current	Current
Cash & Cash Equivalents				
Cash on hand		16.30		19.37
Current Accounts		791.35		2,003.87
(A)		807.65	-	2,023.24
Other Bank Balances				
Fixed Deposits with original maturity of less than three months		1,339.46		130.66
Fixed Deposits	18.93	61.15	15.71	55.62
Margin Money Deposits	255.94	2,543.71	1,423.58	2,943.85
Dividend Account		33.33		27.66
(B)	274.87	3,977.65	1,439.29	3,157.79
Total (A+B)	274.87	4,785.30	1,439.29	5,181.03
Share of Joint Venture	-	44.55	-	62.16
Grand Total	274.87	4,829.85	1,439.29	5,243.19

Note : 20 Revenue from Operations

(₹ In Lakhs)

	31 March 2015	31 March 2014
Sales of Products	140,385.02	132,759.13
Traded Goods	(18.23)	393.50
Sales of Services	3,952.51	6,223.81
Other Operating Revenue	-	-
Scrap Sales	57.27	38.54
	144,376.57	139,414.98
Share of Joint Venture	851.75	613.45
Grand Total	145,228.32	140,028.43
Less : Excise Duty	10,198.08	9,279.15
	135,030.24	130,749.28

Note : 21 Other Income

(₹ In Lakhs)

	31 March 2015	31 March 2014
Interest earned on Deposits with Banks/Others	425.20	412.46
Interest on IT Refunds	-	146.63
Foreign Exchange Variation	11.74	-
Rent Received	2.00	-
Recovery of Bad Debts Written off	52.97	61.54
Provisions /Credit Balances no longer required written back	601.79	306.30
Sales Tax Refund Received	-	12.86
Claims Received	787.64	-
Miscellaneous Income	265.82	29.82
Duty Drawback Received	7.38	0.52
Total	2,154.54	970.13
Share of Joint Venture	0.88	0.22
Grand Total	2,155.42	970.35

Notes Forming part of consolidated Statement of Profit & Loss

Note : 22

(₹ In Lakhs)

Cost of Material Consumed	31 March 2015		31 March 2014	
Materials Consumed				
Opening Stock	32,042.11		25,536.44	
Less : On Account of disinvestment of Subsidiary	-		(4,080.32)	
	32,042.11		21,456.12	
Purchases, Material, Components & Consumables	76,361.53		93,761.75	
	108,403.64		115,217.87	
Less : Closing Stock	30,790.47	77,613.17	32,042.11	83,175.76
Less : Internal capitalisation		1,698.21		286.86
Cost of Material Consumed		75,914.96		82,888.90
Share of Joint Venture		555.48		443.81
Grand Total		76,470.44		83,332.71

Note : 23

(₹ In Lakhs)

(Increase) / Decrease in Inventory	31 March 2015		31 March 2014	
a) Manufacturing Goods				
i) Opening Stocks				
a) Finished Goods	6,497.57		7,720.29	
b) Semi Finished Goods	17,599.08	24,096.65	13,143.24	20,863.53
ii) On Account of disinvestment of Subsidiary				
a) Finished Goods	-		284.91	
b) Semi Finished Goods	-	-	341.59	626.50
iii) Closing Stocks				
a) Finished Goods	4,354.93		6,497.57	
b) Semi Finished Goods	12,783.80	17,138.73	17,599.08	24,096.65
		6,957.92		(3,859.62)
b) Traded Goods				
Opening Stock of Traded Goods	479.98		985.42	
Less : Internal Capitalisation	5.60		143.76	
Closing Stocks of Traded Goods	786.57	(312.19)	479.98	361.68
(a + b)		6,645.73		(3,497.94)
Share of Joint Venture		(34.04)		(9.85)
Grand Total		6,611.69		(3,507.79)

Notes Forming part of consolidated Statement of Profit & Loss

Note : 24 Employee Cost

(₹ In Lakhs)

	31 March 2015		31 March 2014	
Salaries, Wages & Bonus	7,698.47		11,430.85	
Contribution to Provident Fund & Other Funds	697.22		726.99	
Gratuity	203.99		261.92	
Staff Welfare Expenses	996.27		868.14	
Recruitment & Training	25.30		28.14	
		9,621.25		13,316.04
Remuneration to Directors:				
Salaries & Allowances	73.42		101.24	
Commission on Profits	113.14		-	
Contribution to Provident Fund	5.52	192.08	5.76	107.00
Total		9,813.33		13,423.04
Share of Joint Venture		98.08		132.98
Grand Total		9,911.41		13,556.02

Note : 25 Finance Cost

(₹ In Lakhs)

	31 March 2015	31 March 2014
Interest on Term Loans	1,262.52	2,661.97
Interest on Bank Borrowings	4,390.38	3,823.26
Interest on Vehicle Loans	13.31	10.24
Interest to Other Loans	14.84	18.94
Interest on Unsecured Loans	106.38	56.35
Interest - Others	196.51	88.51
Bank Charges	586.00	395.98
BG Charges	238.91	257.95
LC Charges	276.81	364.71
	7,085.66	7,677.93
Less: Capitalised and transferred to Pre Operative Expenses	14.84	89.35
Total	7,070.82	7,588.58
Share of Joint Venture	-	0.02
Grand Total	7,070.82	7,588.60

Note : 26 Depreciation and Amortization expense

(₹ In Lakhs)

	31 March 2015	31 March 2014
Depreciation of Tangible Assets	4,539.91	3,492.66
Amortisation of Intangible Assets	715.18	411.37
Total	5,255.09	63,904.03
Share of Joint Venture	35.89	42.65
Grand Total	5,290.98	3,946.68

Notes Forming part of consolidated Statement of Profit & Loss

Note : 27 Other Expenses

(₹ In Lakhs)

	31 March 2015		31 March 2014	
Manufacturing/Service Cost				
Stores & Spares Consumption	1,206.86		1,381.67	
Factory Rent	31.80		26.79	
Equipment Lease Rent	77.05		109.56	
Consumable Tools Charged Off	15.61		14.66	
Contract Wages	6,912.36		4,078.96	
Testing Charges	164.48		151.58	
Power and Fuel	5,846.25		7,004.42	
Installation Charges Paid	379.76		301.92	
Televan Hire Charges	216.53	14,850.70	429.55	13,499.11
Administrative Cost				
Rent	358.14		406.35	
Rates & Taxes	158.06		162.03	
Licence Fees	1.22		4.26	
Sales Tax on Works Contracts	39.26		107.34	
Excise Duty on Stock Transfers to Branches	103.23		237.22	
Excise duty paid on Samples & Replacements	275.22		535.37	
Excise duty on Closing Stocks of Finished Goods	204.28		174.59	
Insurance	228.53		343.34	
Professional & Consultancy Charges	388.87		396.26	
Security Expenses	690.00		637.23	
Community Development Expenses	27.50		23.43	
Building & Garden Maintenance	515.94		242.07	
Office & Office Equipment Maintenance	304.12		294.02	
Vehicle Maintenance	253.81		267.95	
Maintenance - Others	264.30		291.52	
Conveyance	887.38		933.27	
Travelling	539.39		591.96	
Printing & Stationery	146.48		202.78	
Postage, Telephones & Telex	332.69		388.31	
Books & Periodicals	80.73		83.23	
Foreign Exchange Rate Variation	23.18		879.80	
Sundry Expenses	350.23		344.72	
Directors Sitting Fees	1.12		0.92	
Payment to Auditors	45.38		76.28	
Audit Expenses	6.32		8.75	
Advances written off	217.69		135.83	
Donations	22.13		8.12	
Deposits Written Off	20.47	6,485.67	43.64	7,820.59
Selling Cost				
Freight Outward	3,180.58		2,925.84	
Freight and Insurance on exports	348.36		348.40	
Export Expenses	464.16		458.78	
Liquidated Damages	168.06		253.71	
Commission On Domestic Sales	13.11		76.36	
Commission On Export Sales	166.40		38.86	
Discount to Dealers	63.41		291.51	
Advertisement	27.54		67.92	
Business Promotion	81.73		74.16	
Membership & Subscription	8.78		8.37	
Transit Insurance	39.70		44.34	
Royalties On Sales	14.73		87.04	
Bad debts written off	235.83		526.75	
Provision for bad debts	196.00		-	
Provision for Waranties	190.40		110.47	
Selling and Forwarding Expenses	0.69		-	
Other Selling Expenses	437.97		543.84	
Capital Issue Expenses	0.30		0.30	
Prior Period Expenditure	606.06	6,243.81	302.28	6,158.92
Total		27,580.18		27,478.62
Share of Joint Venture		129.09		74.89
Grand Total		27,709.27		27,553.51

Notes Forming part of consolidated Statement of Profit & Loss

Note : 28 Exceptional Items of (Income)/Expenditure

(₹ In Lakhs)

	31 March 2015	31 March 2014
Loss on Sale of Investments	-	573.45
Loss on Fire Accident	14.53	76.45
Damaged Stocks	522.81	-
Good Will Written Off	273.14	-
Profit on Sale of Investments	-	(6,218.10)
Loss/(Profit) on sale of assets	637.61	(71.19)
Sales Tax Subsidy Received	(153.78)	-
	1,294.31	(5,639.38)

28.1 During the year, severe damage was caused by Hud Hud Cyclone to stocks and assets in the Company's units at Vizianagaram and SEZ, Visakhapatnam. The Company had lodged a final claim with the Insurers towards recovery of the losses. Pending final settlement of the claim by the Insurers, actual loss incurred due to damages to Inventory (net of Salvage Value) amounting to Rs. 522.81 lakhs was expensed under exceptional item and repairs and restoration expenses on assets damaged amounting to Rs. 553.85 lakhs had been expensed in their natural heads of account. The total admissible loss assessed and recommended for payment by the Surveyors, provisionally confirmed by the Management, amounting to Rs. 738.97 lakhs is recognized as other income.

Note : 29 Disclosure as per AS-20 "Earnings per share";

Computation of EPS (Basic & Diluted)

(₹ In Lakhs)

	31 March 2015	31 March 2014
Profit for the Year (Rs.)	1,421.97	3,962.98
No. of Shares (Basic)	2,530.00	2,530.00
No. of Shares (Diluted)	2,530.00	2,530.00
EPS (Basic)	0.56	1.57
EPS (Diluted)	0.56	1.57

Notes Forming part of consolidated Statement of Profit & Loss

Note : 30 Contingent liabilities not provided for and commitments :

30.1 HBL Power Systems Ltd:

All known and undisputed claims and liabilities where there is 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.

30.1.1 Contingent liabilities not provided for and commitments :

(₹ In Lakhs)

Nature of Contingent Liability	As on 31.03.2015	As on 31.03.2014
a) Un-expired guarantees issued on behalf of the Company by banks for which the Company gave counter guarantees	14381.47	15502.65
b) Legal undertakings (LUTs) given to Custom's Authorities for clearing the imports at Nil / Concessional rate of duty pending fulfilment of export obligations, (net of the export obligations fulfilled of ₹ 9647.96 Lakhs (previous year ₹ 9739.41 Lakhs) for which the process of discharging the LUTs by the concerned authorities is at various stages).	2448.63	3609.72
c) Claims against the Company not acknowledged as debts towards :		
Excise duty	733.76	357.84
Sales Tax	496.50	317.41
Custom duty	488.70	-
Service Tax	8.51	10.68
Income Tax Dispute for Asst.Year 2009-10	65.08	65.08
Property Tax claim of VSEZ unit	27.64	27.64
Fuel surcharge adjustment (FSA) to the extent billed	134.38	356.40
Enhancement of Land Cost by Haryana State Industrial & Infrastructure Development Corporation Ltd, Manesar	168.44	108.82
Erstwhile promoters of SCIL Infracon Pvt Ltd	188.31	188.31
Other claims	11.50	11.50

30.1.2 Estimated amount of contracts remaining to be executed on Capital account and not provided for

122.47 184.48

30.1.3 Investments committed by the Company in other Companies:

In M/s. HBL Suntech,LLP against 60% Share in LLP (net of Rs. 18.30 Lakhs contributed as on 31-03-2015)

101.70 101.70

30.2 SCIL Infracon Private Ltd. :

- a) Bank Guarantee issued to the Commission of Customs
b) Income Tax Dispute for Asst. Year 2008-09

31.62 31.62
0.34 0.34

Note : 31 Basis of preparations of CFS

The CFS are prepared in accordance with Accounting Standard (AS) – 21 "Consolidated Financial Statements", Accounting Standard (AS) – 23 "Accounting for Investments in Associates in Consolidated Financial Statements" and Accounting Standard (AS) – 27 "Financial Reporting of Interest in Joint Ventures", as specified under section 133 of the companies Act,2013 read with Rules 7 of the companies (Accounts) Rules 2014.

The Notes and Significant Accounting Policies to the CFS are intended to serve as a guide for better understanding of the Group's position. In this respect, the Company has disclosed such notes and policies, which represent the required disclosure.

Notes Forming part of consolidated Statement of Profit & Loss

Note : 32. Disclosures required to be made as per Accounting Standard (AS)

32.1 Disclosure as per AS-7 "Construction Contract"(for contracts in progress at the reporting date) (HBL Power Systems Ltd)

32.1.1 The Company recognised revenue based on Percentage completion method whereby stage of completion of a contract is determined with reference to the proportion that contract costs incurred (for work performed up to the reporting date) bear to the estimated total contract cost and wherever applicable after completion of inspection/certification of the work performed by the customers as stipulated in the contract.

	31 March 2015	31 March 2014
32.1.2 In respect of Contracts in progress on 31.03.2015		
a) Contract revenue recognised in the period	258.86	2581.05
b) Aggregate Contract costs incurred upto the reporting date.	2703.26	2426.44
c) Aggregate amount of recognised profits upto the reporting date.	2861.33	2879.29
d) Amount of advances received from Customer outstanding as on date	166.67	310.44
e) Amount retention (Amount billed less amount received and advance adjusted)	336.18	1099.60

Notes Forming part of consolidated Statement of Profit & Loss

Note : 33

Segment Report – Accounting Standard (AS)-17:

(₹ In Lakhs)

	2014-15		2013-14	
Segment Revenue				
Batteries				
Exports	15030.96		23979.87	
Domestic sales	99033.25	114064.21	86743.33	110723.20
Electronics				
Exports	2036.86		3,098.50	
Domestic sales	11711.92	13748.78	8,301.80	11,400.30
Unallocated				
Exports	67.58		108.79	
Domestic sales	8311.46	8379.04	10992.34	11101.13
Total		136192.03		133224.63
Less : Inter-segment Revenue		1161.79		2475.35
		135030.24		130749.28
Segment Result				
Batteries		14394.41		8509.10
Electronics		(128.92)		2,210.07
Unallocated		(503.10)		(1586.88)
Total		13762.39		9132.29
Less : Interest		7066.02		7645.22
Exceptional Items - (Income)/Expenses		1503.82		(5653.98)
Unallocable expenditure net of unallocable income		2786.64		2534.75
Net Profit before taxes		2405.91		4606.30
Segment Assets				
Batteries		108797.46		126729.75
Electronics		19808.07		23,965.26
Unallocated		27590.64		24844.07
Total Assets		156196.17		175539.08
Segment Liabilities				
Batteries		15456.91		29629.08
Electronics		8638.83		14,795.90
Unallocated (includes Term Loans, Bank Loans, Hire Purchase Loans)		75622.85		74936.16
Total Liabilities		99718.59		119361.14
Segment Capital expenditure during the year				
Batteries		1794.87		925.04
Electronics		76.87		467.28
Unallocated		1129.29		653.35
Total		3001.03		2045.67
Segment Depreciation(Including Amortisation of Intangible Assets)				
Batteries		4005.47		3106.71
Electronics		464.94		202.22
Unallocated		820.57		637.75
Total		5290.98		3946.68

Notes:

- The group's operations include Batteries of different types, Electronics etc. The Consolidated Statement Report is based on the information furnished in the separate financial statements of the group companies. Other items are included in 'Unallocated' segment.
- Inter segment revenue is measured at the market prices at which the products are sold to external Customers



Notes Forming part of consolidated Statement of Profit & Loss

Note : 34.

Disclosure as per AS-18 "Related Party Disclosure".

1	Holding Company	Beaver Engineering & Holdings Pvt Ltd, Hyderabad	
2	Investors of Subsidiaries	Shakthi Concrete Industries Ltd	
3	Controlled Companies	Kairos Engineering Limied, Hyderabad	
4	Associates Companies / Directors Interested Companies	Naval Systems & Technologies Pvt Ltd VARP Power Pvt Ltd	
5	Designated partner of LLP Interested Companies	Secure Power India Pvt Ltd	
6	Key Management Personnel	Dr A J Prasad	Chairman & Managing Director
		M S S Srinath	Whole Time Director
		Kavita Prasad	Whole Time Director (upto 14-02-2015) and Executive from 14.02.2015
		Ashok Nagarkatti	
		K Mahidhar	Vice-President (F&A)
		M V S S Kumar	Company Secretary
		K Gyan Sagar	Director
		Deepa Shashidhar	Kuckian - Designated Partner

Disclosure of transactions between the Company and Related parties and the status of outstanding balances as on 31st March, 2015

Sl. No	Name	Nature of Transaction	During the year Debit / (Credit)	As on 31-03-2015		
				Investments	Amount Receivable	Amount Payable
1	Holding Company	Funds Borrowed	315.00			14194.83
		Funds Repaid	180.00			
		Corporate Loans repaid	-			
		Interest Paid	24.26			
		Sale of Goods	830.05		563.31	
		Service Received	14.48			
2	Investors of Subsidiaries	Funds Borrowed	-		193.43	
3	Controlled Companies	Investment in Shares	-	9.00		
		Sale of Goods	-			
		Funds Repaid / given	33.12		1.49	
					1.66	
4	Associates Companies/ Directors Interested Companies	Sale of Investments	0.26	4.10		
		Advance for services	0.24		0.24	
		Purchase of solar Power	12.58			
5	Designated Partner of LLP Interested Companies					
6	Key Management Personnel	Funds Borrowed	480.00			751.00
		Funds repaid	50.00			
		Remuneration paid	275.64			
		Rent Paid	5.81			
		Interest Paid	60.26			142.84

Notes Forming part of consolidated Statement of Profit & Loss

Note : 35

Disclosure of leases pursuant to Accounting Standard (AS) 19 "Leases"

a) HBL Power Systems Ltd

Finance Leases

Amount of Finance Lease

Less : Lease amount repaid during the period

Amount outstanding at the end of the period

Amount payable not Later than one year

Amount payable later than one year and not later than five years

2014-15	2013-14
₹ 63.19	₹ 77.71
₹ 16.37	₹ 14.52
₹ 46.82	₹ 63.19
₹ 18.46	₹ 16.37
₹ 28.36	₹ 46.82

Note : 36 Disclosure as per AS-22 "Accounting for Taxes on Income";

Major components of deferred tax assets and liabilities arising on account of timing differences are:

Deferred Tax	Current Year		Previous Year	
	Assets	Liabilities	Assets	Liabilities
1 Depreciation	-	2491.06	-	2982.14
2 Warranties	295.64		225.64	
3 Leave Encashment	70.27		73.92	
4 Gratuity	66.98		84.73	
5 Bad Debts	206.26	-	-	
Total	639.15	2491.06	384.29	2982.14

Note : 37 Disclosure under Accounting Standards (AS) 21, 23 and 27

37.1 The CFS comprises the financial statements of the Parent Company (HBL Power Systems Ltd), its subsidiaries, Joint Venture Company and Associate Companies, the details of which are as under:

a) HBL Power Systems Limited, Hyderabad - Parent/Holding Company

b) Subsidiary Companies of HBL Power Systems Ltd

Name of the Company	Country of Operation	% of interest of Holding Company on 31.03.2015
(i) HBL Germany, GmbH	Germany	100.00%
(ii) HBL America, Inc	USA	100.00%
(iii) SCIL Infra Con (P) Ltd	India	100.00%
(iv) HBL Suntech LLP	India	60.00%

c) Joint Venture Company of HBL Power Systems Ltd:

Name of the Company	Country of Operation	% of interest held by it
(i) Gulf Battery Company Ltd	Kingdom of Saudi Arabia	40.00%

d) Associates of HBL Power Systems Ltd:

Name of the Company	Country of Operation	% of interest held by it
(i) Kairos Engineering Limited	India	23.35%
(ii) Naval Systems & Technologies (P) Ltd.	India	41.00%

Notes Forming part of consolidated Statement of Profit & Loss

37.2 The CFS of the Group have been prepared and presented based on the financial statements as on 31.03.2015, the status of which is as under:

a) Holding Company (HBL Power Systems Ltd)	On the basis of Audited Financial Statements on 31.03.2015
b) HBL Germany, GmBH	On the basis of audited financial statements as on 31.03.2015 certified by their Statutory Auditors.
c) HBL America.Inc	On the basis of audited financial statements as on 31.03.2015 certified by their Statutory Auditors.
d) SCIL Infracon (P) Ltd	On the basis of audited statements on 31.03.2015 certified by their Statutory Auditors.
e) HBL Suntech LLP	On the basis of audited statements on 31.03.2015 certified by their Statutory Auditors.
f) Gulf Battery Company Ltd. (Kingdom of Saudi Arabia)	The JV follows the Calender Year as their Accounting Year and Audited statements are available upto 31.12.2014. Based on such statements, financial statements as on 31.03.2015 (un-audited) have been prepared by the JV and are considered for inclusion in CFS under proportionate consolidation method.
g) <u>Other Associate Companies:</u> Naval Systems & Technologies (P) Ltd	HBL Power Systems Ltd has invested Rs.4.10 lakhs (41% share) . Following 'equity method', the value of the investment is restated based on the Audited statements as on 31.03.2015.
Kairos Engineering Ltd.	HBL Power Systems Ltd has invested Rs. 9.00 lakhs (23.35% share). Following 'equity method', the value of the investment is restated based on the Audited statements as on 31.03.2015.

37.3 Additional Disclosure required as per General Instruction given Schedule III with regard to the preparation of Consolidated Financial Statements is annexed.

37.4 Form AOC-I as required under Section 129 (3) of the Act, read with Rule 5 of Company (Accounts) Rule 2014 is annexed.

Note: 38 Disclosure as per AS-29 “Provisions, Contingent Liabilities, Contingent Assets”;

Provision for Warranty (HBL Power Systems Ltd) :

	31 March 2015		31 March 2014	
Provision at the beginning of the year		663.84		553.37
Provision required for the year	648.95		509.92	
Provision reversed from the opening Balance(after warranty period)	458.55		399.45	
Charge for the year		190.40		110.47
Carrying amount		854.24		663.84

It is expected that these costs will be incurred in the next 12 to 24 months. Actual expenditure incurred during warranty period towards replacements etc is charged to revenue under respective heads of expenditure.

Notes Forming part of consolidated Statement of Profit & Loss**Note : 39**

In the WOS HBL Gemany,GMBH, in pursuance of the requirement in terms of Article 321 (1) S.3, HGB, Germany, the auditor of the Subsidiary (viz, HBL Germany,GMBH) reported that the former Managing Director of the Company is suspected of having violated the Trademarks belonging to HBL (Parent Company) in the financial year 2013-14. However, adequate reserve towards the expenditure for the prosecution of the violations had been made in books of the subsidiary. A case against the said former Managing Director had been filed in court by the Company.

Note : 40

The previous year figures have been regrouped wherever necessary. Further, in view of the disposal of subsidiary, previous year figures are not comparable.

As per our Report of even date annexed
for M/s Rao & Kumar
Chartered Accountants
FRN No. 03089 S

On Behalf of the Board

S S Bharadwaj
Partner
M.No: 26113

Dr A J Prasad
Chairman & Managing Director

M S S Srinath
Director

Place : Hyderabad
Date : 14th August 2015

K Mahidhar
Vice President - Finance

M V S S Kumar
Company Secretary

Schedules Forming Part of Consolidated Balance Sheet

Note : 11

Tangible Assets (at Cost)

₹ In Lakhs

Description	Gross Block				Depreciation Block				Net Block		
	As On April 1, 2014	Additions	Deletions on disinvestment of Subsidiary	Adjustments/ deletions	As On March 31, 2015	As On April 1, 2014	Traditional Adjustment	For the Year	Adjustments/ Deletions	As On March 31, 2014	As On March 31, 2013
Land - Free Hold	3713.14	202.48	-	59.25	3856.67	-	-	-	-	3856.67	3713.40
Land - Leasehold	246.99	-	-	-	246.99	20.83	-	2.65	-	223.50	226.15
Buildings - Factory	18,178.31	215.76	-	129.10	18,264.98	3,132.17	330.17	749.22	-	14,070.11	14,842.97
Buildings - Others	758.48	(94.97)	-	-	663.51	67.62	8.30	33.50	0.03	554.11	894.09
Plant & Machinery	41,884.06	1,843.62	-	777.07	42,950.61	16,750.13	261.89	3,282.09	-	22,839.23	25,135.03
Office Equipment	1,972.31	31.96	-	6.40	1,997.87	1,185.71	294.73	253.51	1.86	1,732.09	785.22
Assets Under Finance Lease	86.48	-	-	-	86.48	22.68	-	25.84	-	48.52	63.80
Furniture & Fixtures	818.97	3.87	-	2.65	820.19	422.21	10.16	68.89	0.47	500.79	432.08
Vehicles	1,341.02	54.35	-	70.26	1,325.11	720.69	20.47	150.05	-	845.11	585.23
Technical Library	1.89	-	-	-	1.89	1.89	-	-	-	1.89	-
Sub Total (A)	69,001.95	2,257.07	-	1,044.73	70,214.29	22,323.94	925.73	4,565.75	247.91	27,567.52	46,678.01
Share of Joint Venture (B)	542.17	2.33	-	46.07	498.43	109.79	-	25.64	-	135.43	432.38
Grand Total (A+B)	69,544.12	2,259.40	-	1,090.80	70,712.72	22,433.73	925.73	4,591.40	247.91	27,702.95	47,110.38
Previous Year	102,481.33	2,225.35	34,860.28	302.28	69,544.12	28,627.82	-	3,562.57	60.68	22,433.73	47,110.38

Parent & Subsidiary Balance

4,565.75

Capitalised

25.04

As per P&L statement

4,539.92

(0.00)

11.1 Schedule II to the Companies Act, 2013 on the subject of Depreciation, came into effect from 01-04-2014, which prescribed the useful life of assets and the manner in which the depreciation is to be computed and accounted for. The company had changed its basis of providing for Depreciation in line with and as per requirements of the said Schedule.

Accordingly, the carrying amount of the assets, as on the date on which the said schedule had come into effect, is :

- Depreciated over their remaining useful life, where the remaining useful life of the assets is not nil; and
- Adjusted against the opening balance of retained earnings, where the remaining useful life of the assets is nil.

This change, in the method of providing for depreciation, had resulted in :

- Increase in the Accumulated Depreciation as at 1-4-2014 by Rs. 925.73 lakhs with a consequential Reduction in Opening Balance of Reserves by Rs. 605.35 lakhs net after considering the impact on deferred tax of Rs. 320.38 lakhs, and
- The amount of Depreciation charged to Profit & Loss account is higher by Rs. 1352.25 lakhs, as compared to the amount of depreciation that would have been provided had the company continued to follow its previous policy.

Schedules Forming Part of Consolidated Balance Sheet

Note : 12

₹ In Lakhs

In-tangible Assets (at Cost)

Description	Gross Block					Depreciation Block					Net Block	
	As On April 1, 2014	Additions	Deletions on disinvestment of Subsidiary	Adjustments/ deletions	As On March 31, 2015	As On April 1, 2014	Transitional Adjustment	For the Year	Deletions on disinvestment of Subsidiary	Adjustments/ Deletions	As On March 31, 2015	As On March 31, 2014
Intangible Assets												
New Product Development Expenditure	2,531.94	697.00	-	-	3,228.94	1,220.38	-	510.05	-	-	1,730.43	1,311.56
Intangible Asset Power Facility	96.16	-	-	-	96.16	24.04	-	19.23	-	-	43.27	72.12
Goodwill Paid on Purchase of Business	125.00	-	-	125.00	-	50.00	-	-	-	50.00	-	75.00
Goodwill on Acquisition of Subsidiaries	273.14	-	-	273.14	-	-	-	-	-	-	-	273.14
Trade Marks and Other Business Intangibles	53.40	-	-	-	53.40	20.53	-	10.38	-	-	30.91	32.87
ERP Package	-	-	-	-	-	-	-	-	-	-	-	-
Technical know how fee for Electronic Products	295.48	569.24	-	-	864.73	44.32	-	125.51	-	-	169.83	251.16
Technical know how fee for Other Products	500.00	-	-	-	500.00	125.07	-	50.00	-	-	175.07	374.93
Sub Total (A)	3,875.12	1,266.25	-	398.14	4,743.23	1,484.34	-	715.18	-	50.00	2,149.51	2,390.78
Share of Joint Venture (B)	72.07	-	-	-	72.07	25.44	-	10.25	-	-	35.69	46.63
Grand Total (A+B)	3,947.19	1,266.25	-	398.14	4,815.30	1,509.78	-	725.42	-	50.00	2,185.20	2,437.41
Previous Year	12,593.93	809.59	9,364.52	91.81	3,947.19	1,734.67	-	443.51	645.89	22.51	1,509.78	2,437.41

12.1 Good Will recognised in the past on acquisition of Subsidiary (SCIL Infracon Pvt Ltd) amounting to Rs.273.13 Lakh is written off as the existence of the said Subsidiary as going concern is presently doubtful.

Note : 13

	31 March 2015	31 March 2014
Capital Work in Progress		
Machinery under Erection	1267.85	1737.94
Civil Works in Progress	47.98	45.40
Pre-operative Expenses pending to be capitalised	243.15	333.52
Total	2116.87	
Share of Joint Venture	-	-
Grand Total	1558.98	2116.87

Note : 14

Intangible Assets Under Development/progress (at cost)

Description	As On April 1, 2014	Additions during the year	Adjustments/Deletions	Transfer on Completion to Intangible Assets	As On March 31, 2015
1) New Product Development Expenditure (Internally generated)					
a) Battery Products	1,105.75	919.02	-	691.76	1,333.01
b) Electronic Products	652.20	-	-	-	652.20
2) Technical Knowhow fee paid	1,278.55	-	65.98	569.24	643.33
3) Power Facility Cost	14.88	-	-	-	14.88
4) SAP Project Expenditure	445.75	290.14	-	-	735.89
5) Others	-	-	-	-	-
Sub Total (A)	3,497.13	1,209.16	65.98	1,261.00	3,379.31
Share of Joint Venture (B)	-	-	-	-	-
Grand Total (A+B)	3,497.13	1,209.16	65.98	1,261.00	3,379.31

14.1 In respect of Battery Products, the company has completed all activities relating to development and is in the process of installing the mass production facilities and sales network, which are expected to be completed shortly. The Company has not incurred any additional cost, during the year, on such products. In respect of Other Products, development is in progress.

HBL POWER SYSTEMS LTD

Annexure referred to in Note No. 37.3

Disclosure of additional information as per general instructions for preparation of Consolidated Financial Statements

(₹ in Lakhs)

Name of the Entity	Net Assets		Share in Profit/(Loss)	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit/(Loss)	Amount
1	2	3	4	5
Parent				
HBL Power Systems Ltd	105.94	59,831.68	177.95	2,530.37
Subsidiaries				
Indian				
1 SCIL Infra Con (P) Ltd	(1.54)	(867.77)	(41.05)	(583.66)
2 HBL Suntech LLP	(0.56)	(317.46)	0.43	6.09
Foreign				
1 HBL Germany, GmbH	(1.43)	(808.18)	(37.32)	(530.74)
2 HBL America	(1.22)	(686.29)	(8.34)	(118.61)
Minority Interest in all subsidiaries	NIL	NIL	NIL	NIL
Associates				
(Investment as per Equity method)				
Indian				
1 Kairos Engineering Ltd	(0.01)	(5.70)	0.00	0.04
2 Naval Systems & Technologies Pvt Ltd	0.34	191.51	3.54	50.35
Joint Venture				
(As per Proportionate Consolidation)				
Foreign				
1 Gulf Batteries Company Limited	(1.52)	(860.21)	4.79	68.13
	100.00	56,477.58	100.00	1,421.97

Annexure referred to in Note No. 37.4

AOCL : Statement containing salient features of the financial statement of subsidiaries/associate companies/joint venture (Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014).

Part " A " : Subsidiaries

₹ in Lakhs)

Sl.No.	Name of Subsidiary Company	Reporting Period	Reporting Currency	Exchange Rate on the last date of the Financial	Share Capital	Reserves & Surplus	Total Assets (excluding investment Holding)	Total Liabilities	Investments	Turnover	Profit Before Taxation	Provision for Tax & Def. Tax	Profit After Taxation	Dividend proposed	% of share Holding
1)	SCIL Infra Con (P) Ltd (Subsidiary Company)	31.03.2015	INR	-	1000.00	(524.23)	1210.37	734.60	-	-	(227.62)	-	(227.62)	-	100
2)	HBL Suntech LLP (Subsidiary Company)	31.03.2015	INR	-	18.30	(317.46)	150.54	449.70	-	17.25	5.63	-	5.63	-	60.00
3)	HBL Germany, GmbH (Subsidiary Company)	31.03.2015	EURO	66.97	14.92	(765.17)	1,381.10	2,131.35	-	2042.00	(643.03)	(22.06)	(620.97)	-	100.00
4)	HBL America (Subsidiary Company)	31.03.2015	USD	62.34	223.98	(528.53)	1,096.55	1,401.10	-	2155.64	(89.59)	-	(89.59)	-	100.00

Part " B " : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures.

Sl No	Name of the Company Associates/Joint Venture	Kairos Engineering Ltd Associate	Naval Systems & Technologies Pvt Ltd Associate	Gulf Batteries Company Ltd. Joint Venture
1	Latest Audited Balance Sheet Date	31.03.2015	31.03.2015	31.12.2014
2	Shares held by the company on the year end			
	No	90000	41000	1100000
	Amount of Investments	9.00	4.10	1424.5
	Extend of Holding %	23.35	41	40
3	Description of how there is significant influence	Common Directors	Common Directors	Jointly Controlled entity
4	Networth attributable to Shareholding as per latest audited Balance Sheet	(24.41)	467.09	(2066.68)
5	Profit/(Loss) for the year	2.92	123.18	170.32
	i. Considered in Consolidation	0.68	50.34	68.13
	i. Not Considered in Consolidation	2.24	72.84	102.19

As per our Report of even date annexed for M/s Rao & Kumar Chartered Accountants FRN No. 03089 S

On Behalf of the Board

S S Bharadwaj
Partner
M.No: 26113

Dr A J Prasad
Chairman & Managing Director

M S S Srinath
Director

M S S Srinath
Director

Place : Hyderabad
Date : 14th August 2015

K Mahidhar
Vice President - Finance

M V S S Kumar
Company Secretary



HBL POWER SYSTEMS LIMITED

CIN: L40109TG1986PLC006745

Regd. Office: 8-2-601, Road No.10, Banjara Hills, Hyderabad-500034
Phone No. +91-40-27791641, Fax : +91-40-27795419, e-mail :investor@hbl.in ; contact@hbl.in

Attendance Slip

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE HALL. ONLY MEMBERS OR THEIR PROXIES ARE ENTITLED TO BE PRESENT AT THE MEETING. NO ATTENDANCE SLIP WILL BE ISSUED AT THE MEETING VENUE.

Name of the attending member(s):	Folio/DP-ID-Client ID:
No. of Shares held:	

I hereby record my presence at the 29th Annual General Meeting of the Company held at KLN Prasad Auditorium, Federation of Telangana & Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad 500 004 at 4.00 p.m. on Tuesday, September 29, 2015.

NAME OF THE PROXY IN BLOCK LETTERS

SIGNATURE OF THE SHAREHOLDER/PROXY*

* Strike off whichever is not applicable



HBL POWER SYSTEMS LIMITED

CIN: L40109TG1986PLC006745

Regd. Office: 8-2-601, Road No.10, Banjara Hills, Hyderabad-500034
Phone No. +91-40-27791641, Fax : +91-40-27795419, e-mail :investor@hbl.in ; contact@hbl.in

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s) :	E-mail ID :
Residential Address :	Folio/DP-ID-Client ID :

I/We _____ being a member(s) of above mentioned Company, hereby appoint:

1. Name _____ Address _____
email ID _____ Signature _____ or failing him/her,
2. Name _____ Address _____
email ID _____ Signature _____ or failing him/her,
3. Name _____ Address _____
email ID _____ Signature _____ or failing him/her,

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company to be held on Tuesday, September 29, 2015 at 4.00 p.m. at KLN Prasad Auditorium, Federation of Telangana & Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad 500 004 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.		Subject matter of the Resolution	Optional*	
ORDINARY BUSINESS			FOR	AGAINST
1	Adoption of Balance Sheet, Statement of Profit and Loss and the Reports of the Board of Directors and Auditors thereon for the financial period ended on 31 st March, 2015.			
2	Declaration of dividend for the year ended 31 st March, 2015			
3	Appoint a Director in place of Mr. Sanjiv Singhal who retires by rotation and being eligible offers for re-appointment.			
4	Appoint a Director in place of Mr. Ajay Bhaskar Limaye who retires by rotation and being eligible offers for re-appointment.			
5	Re-appointment of Auditors and fixation of their remuneration.			
SPECIAL BUSINESS				
6	Amendment to Articles of Association of the Company.			
7	Appointment of Dr. A J Prasad as Chairman & Managing Director of the Company.			
8	Appointment of Mr. MSS Srinath as Whole time Director of the Company.			

Signed this day of 2015.

Affix Re.1/-
Revenue
Stamp

Signature of the member

Signature of the Proxy Holder(s)

NOTE:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 29th Annual General Meeting.
- *3. It is optional to put a 'X' in the appropriate column against the Resolution indicated in the Box. If you leave the 'For' and 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he / she think appropriate.
4. Please complete all details including detail of member(s) in above box before submission

BOOK - POST

If undelivered, please return to :

HBL[®]

HBL Power Systems Limited

CIN: L40109TG1986PLC006745

Sy. No. 26, Kubera Towers, Trimulgherry, Secunderabad - 500034

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E-mail : investor@hbl.in ; contact@hbl.in