

Date: September 2, 2025

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

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

Dear Sir/Madam,

Sub: Notice of 39th Annual General Meeting and Annual Report for the Financial Year 2024-25

Ref: Regulation 30 and 34 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

Pursuant to Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Notice convening 39th Annual General Meeting and the Annual Report for the financial year 2024-25 has been circulated to the shareholders through electronic mode only. The 39th AGM will be held on **Thursday, September 25, 2025 at 03.30 P.M (IST) through Video Conference (VC) / Other Audio Visual Means (OAVM).**

The Notice of AGM and the Annual Report are made available on the Company's website at <https://hbl.in/hblannualreport2025.pdf>

The schedule of AGM is as set out below:

Particulars	Details
Benpos Date for circulation of Notice	August 29, 2025
Day, date and time of 39 th AGM	Thursday, September 25, 2025 at 3:30 PM
Date of Annual Report circulation through e-mail	September 02, 2025
Cut Off Date (e-Voting)	Friday, September 12, 2025
Remote e-Voting Start day, date and time	Monday, September 22, 2025 at 9:00 AM
Remote e-Voting end day, date and time	Wednesday, September 24, 2025 at 5:00 PM
AGM e-voting result date	On or before Friday, September 26, 2025

This is for your information and records.

Thanking you
For HBL Engineering Limited
(formerly HBL Power Systems Limited)



GBS Naidu
Company Secretary

Encl: Annual Report 2025

The background of the cover is a deep blue space-themed illustration. On the left, a portion of a blue planet is visible, overlaid with a white network diagram of nodes and lines. A bright light source, possibly the sun, is positioned behind the planet's horizon, creating a lens flare effect. A series of concentric dotted lines represent orbital paths. A white rocket is shown ascending along one of these paths. A horizontal line of seven circular icons, alternating between red with a white plus sign and blue with a white minus sign, stretches across the center. A bar chart with vertical bars of varying heights is integrated into the background behind the central icons. The overall aesthetic is high-tech and futuristic.

HBL[®]

HBL ENGINEERING LTD ANNUAL REPORT 2024-25

IN THE NEXT ORBIT

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KEY INFORMATION OF PREVIOUS FIVE FINANCIAL YEARS

(₹ in Crs)

Particulars	2020-21	2021-22	2022-23	2023-24	2024-25
Financial performance					
Revenue	909	1,221	1,350	2,209	1,946
Income tax	5	29	31	91	94
Profit after tax	15	89	95	264	267
Financial information					
Net Worth	793	872	956	1,205	1,458
Net cash from operations	111	61	122	284	227
Debt to equity (x)	0	0.07	0.09	0.05	0.04
Value of exports	169	258	214	291	453
Value of imports	70	107	135	164	144
Per share data (as on March 31)					
Earnings (₹)	0.47	3.19	3.42	9.46	9.63
Book value (₹)	29	31	34	43	53
Dividend (% on paid-up share capital)	35	40	45	50	100
Shareholding related information (as on March 31)					
Number of shareholders	78,926	1,43,984	1,74,854	2,93,512	3,90,313
Promoters' shareholding (%)	58.51	58.97	59.08	59.11	59.11
NSE Closing price on March	33.35	63.40	95.25	454.00	472.50
NSE Closing price on 31 st Aug, 2025	-	-	-	-	807.10
Market Capitalization on March	924	1,757	2,640	12,858	13,097
Market Capitalization 31 st Aug, 2025	-	-	-	-	22,372
Other information					
Human resources (employees)	1,625	1,663	1,720	1,875	2,152
CSR spending	0.45	1.02	1.67	1.79	4.18

CHAIRMAN'S MESSAGE

What Does HBL Do?

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

Why ?

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

HBL sees opportunities for profit in technology gaps it can fill. Owning Technology enables sustained competitive advantage, which is necessary for success in manufacturing. Licensing foreign technology is easier, but not as profitable.

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

Three Business Segments for Disclosure Purposes

In the last 40 years, HBL has filled multiple technology gaps. The resulting businesses fall into three very different Business Segments. The common factor has been using engineering for technology development.

#1. Industrial Batteries Segment : Three Divisions

- Lead Batteries (VRLA & PLT)
- Nickel Cadmium Batteries
- Lithium Batteries

#2. Defence Businesses Segment : Three Divisions

- Batteries (for Aircraft, Missiles, Torpedoes, Submarines....)
- Electronic Fuzes for ammunition
- Other Defence Products. Now in R&D stage.

#3. Industrial Electronics Segment : Three Divisions

- Rail Signaling, Kavach, TMS/CTC,....
- Electric Drive trains (Motors & other vehicle electronics for Trucks)
- Other Industrial Electronics Products. Now in exploratory stage.

Perspectives on each segment are highlighted further below.

Current Business Model

The product range of HBL puzzles all those who become aware of it. However, this product range is the result of a logical business model which was consistently applied. A single product cannot grow every year, and growth rates vary. So, a portfolio was developed with related products (related in both technology and market extensions). A portfolio reduces variability and stabilizes the overall business; vulnerability to the environment is reduced.

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

- Enter only Niche markets, which are (at that time) too small for big companies and too difficult for small companies. Begin small; then grow modularly in steps. Drive Train for large Gross Vehicle weight electric trucks is a niche.
- Avoid capital intensive products and B2C businesses. Search for Engineering Intensive businesses to invest.
- Technology should be the basis of sustained competitive advantage; avoid products where technology is easily available.
- Develop the technology needed, appropriate to the size of the Indian market, by R&D in-house.
- The goal is to be #1 or #2 in a market of reasonable size; or #3 in a large market. If this is not possible, do not enter, or exit.

Results of Current Momentum in FY 2030

Rail Signaling would be the single largest business during the period to FY 30. Kavach sales should be steady at about ₹1,300 - ₹1,500 crs per year during FY 26, FY27, FY28. Later they should dip. But sales of Train Management Systems /Centralised Train Control should grow, to compensate.

Electronic Fuzes would be the second largest business by FY 2030.

Because of all the R&D and business development already done, the current businesses could together achieve ₹4,500 Crs in total sales in FY 2030.

Growth should not be expected to be uniform; margins will also fluctuate.

What after Kavach!

Throughout HBL's forty years, one or two products contributed the bulk of the revenue and profits; and financed the R&D or growth or low periods of all other products. Because Kavach is currently such a product, investors who take a long term view have recently been asking What happens after five years, when Kavach is implemented over the entire IR network?

The simple answer is that covering the entire IR network with Kavach is going to take much more than five years; and HBL is now developing other products even in Rail Signaling. IR has a long way to go in Signaling!

But the key to understanding HBL is that it had, and has, many future products in its pipeline. Not all will succeed. These projects are not disclosed, to lower the risk of imitative competition. The "conception to profit" timeline has averaged 15 years. (Kavach took 20 years).



Succession Plan for Management Beyond FY 2030

HBL is a family business. Investors expect clarity on leadership continuity, because families often have conflicts when the founder retires. However at HBL the founder's family is small; only one child and her spouse. Therefore, investors need for clarity is not about the family; it is about management succession.

Operationally, HBL is a portfolio of nine divisions, (each with several businesses), having its own markets, customers, separate production facilities and technology. All these businesses were created and built by the founder, the current CMD. This is why he is able to provide guidance and direction to all of them, and this will continue for the next five years. Later, a single new CEO cannot possibly do this, even a family Director.

The solution is to plan to manage each of the nine divisions as an independent entity in a virtual holding company, which would be managed by the Corporate office. Each division would have its own management. If alone, each division would be large enough to have its own CEO. The Family members in the Board can provide the necessary continuity in culture and vision.

MITTELSTAND TECHNOLOGY PARTNERS (AIF Category 2)

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

To profit by filling technology gaps, all technology gaps seen by HBL, need not be and cannot be, filled by HBL internally. India will continue to have technology gaps in the foreseeable future. Foreign technology via licensing and direct investment will not be available in many cases.

The following "dots" were connected to evolve the strategy for growth beyond FY 2030.

- Many technology-based entrepreneurs in India continue to attempt in different businesses, what HBL did in its chosen businesses. Often they lack financial stamina or management or capital to cross hurdles they face. Banks are not available to such entrepreneurs when they are financially stressed, because banks cannot bet on the potential of their capabilities.
- Private Equity is reluctant to invest in future winners, if the company's current financial situation is very weak.
- HBL has resources in capital, brand recognition with customers, and deep business knowledge of several domains. These could be used by HBL to make PE type investments in selected technology based small manufacturing companies in their early stage, to earn profits from filling technology gaps seen by others.

Most of HBL's current businesses will continue to grow, at a smaller rate as the size of each business becomes large. HBL expects cash surpluses in the next five years that will exceed internal demands, including R&D and increased dividends. These surpluses will be invested in other entrepreneurial companies, adjacent to HBL businesses.

Some steps are already being taken in this direction. HBL is establishing Mittelstand Technology Partners, an Alternative Investment Fund Category 2, to make entrepreneurial PE type investments in other technology driven companies.

Dr. A J Prasad



MANAGEMENT DISCUSSION AND ANALYSIS

(Part of Annual Report FY 2024-2025)

INDUSTRIAL BATTERIES SEGMENT

LEAD ACID BATTERY DIVISION

TELECOM

Indian telecom sector has witnessed significant transformation in last 3 years in terms of network penetration, 5G roll outs and critical technological changes. Indian telecom is rapidly expanding the network connecting to remote locations as well. The said network expansion, upgradation of sites for 5G roll out coupled with regular replacement requirement, generated strong demand for batteries in FY24 and FY'25.

In FY25, Lithium-ion battery solution attracted the attention of the telecom tower entities due to attractive total cost of ownership compared with Valve Regulated Lead Acid battery solution, on account of steep reduction in lithium-ion battery price, extended warranty and optimized sizing for a given requirement. These aspects substantially reduced the gap in total cost of ownership compared with VRLA solution, tilting the preference towards lithium technology. One of the major private sector telecom tower entities, and the state-owned operator-BSNL, have commenced deployment of lithium solution, with necessary upgrades to battery charger and cabinet/ housing infrastructure, across the country.

This trend is accelerating in FY26 and is expected to continue in future, resulting in a substantial reduction in demand for lead acid batteries. The lithium-ion battery demand is met through import of ready to use packs or domestic supplies of lithium packs using imported cells with marginal value addition in the form of BMS and Racks.

HBL is not participating in the lithium opportunity for telecom market, although it has a fully integrated facility for pack assembly using imported cells, due to unattractive price levels and inherent risk of extended warranty in the absence of matching warranty offering by cell suppliers. Meanwhile, the Company has chalked out plans to gradually prune its lead acid 2V-VRLA battery capacity aligned with the market potential.

In view of the above market trend, there will be a considerable reduction in 2V-VRLA battery business and thus revenue in FY26 and in the coming years.

RAILWAYS

In FY2025, the demand from Indian Railways for Lead acid batteries was encouraging on account of aggressive roll out of new LHB coaches and advance preparations for Maha Kumbh event at Prayagraj. The Company expects that the demand for lead acid batteries for train lighting application will remain strong at least for next couple of years. The conventional air-conditioned coaches are being gradually phased out and hence the requirement of AC coach batteries is bound to moderate over the years.

India's metro rail network is expanding rapidly, with numerous projects in various stages of development across the country. As of March 2025, the operational metro network spans over 1,000Kms across 23 cities in 11 states. HBL supplies Nickel Cadmium and Lead acid VRLA batteries for stationary applications such as UPS, Signalling, Communication and lighting. It also supports the network with supply of Nickel Cadmium battery for rolling stock application, to metro network operators and metro car OEMs. The presence of HBL in both the application segments is considerable and is very encouraging. During the year under review, Company secured large orders from Locomotive Manufacturers, Metro operators and OEMs.

UPS

Market for UPS lead acid batteries in India is large and growing steadily. In recent times, there are signs of lithium-ion battery preference for large UPS applications. We expect that this trend will gain momentum gradually over the years. Major UPS OEMs are keen to offer lithium solution for large UPS installations, enabling direct participation in battery business supported by their in-house BMS (Battery Management System), and cell packing capability. While anticipated transition to lithium-ion battery solution remains a key challenge to VRLA batteries, in the long run, the growing market continues to offer sufficient opportunity to HBL in medium term, being a small and growing player now.

During the year under review, the Company had clocked more than 15% growth in its 12V UPS battery business, enabling it to cover shortfall in 2V-VRLA battery business to some extent. The Company will continue to enhance the UPS battery business backed by calibrated capacity augmentation using surplus plate making capacity of 2V-VRLA battery and new additions, as necessary.

DATA CENTERS & DEFENCE

India's data center market is experiencing significant growth, driven by rising internet penetration, the adoption of cloud computing, increasing demand for data storage, and AI and digital transformation efforts. The market is projected to expand, with capacity potentially doubling by 2032. In Data Centre application too, lithium-ion battery solution is being seriously evaluated by the users, looking at compactness and extended life. However, safety concerns do weigh on the decision, and many consultants continue to recommend pure lead thin plate lead acid batteries, which offers matching high-rate discharge performance, life and higher safety.

HBL is a significant player in this segment offering reliable and high performing Pure Lead Thin (PLT) plate lead acid batteries. During the year, the Company broad based its customer profile and secured large orders. To fortify its position and to expand its offerings, the Company has committed a capital investment in new processes and product variants offering compactness and extended life.

Indian defence establishments have started using PLT products for use in battle tanks; towed guns, heavy trucks and other uses, due to better product performance both in hot and cold conditions, compared with conventional lead acid batteries. This positive trend is increasing the volume and helping with better capacity utilization. Export opportunities for use in western battle tanks is also significantly widening.



NICKEL CADMIUM BATTERIES DIVISION

HBL is secure in the second position in the global market for Nickel Cadmium Batteries.

The overall domestic demand for Nickel Cadmium battery in Oil & Gas segment was strong during the year under review aided by several ongoing large pipeline projects, and addition of oil refining capacities. In power sector, the Power Grid Corporation of India Limited (PGCIL), large pan-India power transmission entity, switched its preference to Nickel Cadmium battery technology from lead acid VRLA, owing to a reliable performance and longer life, as experienced by NTPC, and other power producers over the years. New addition and expansion of capacity in various process industries are also increasing demand for Nickel Cadmium Pocket Plate batteries.

In FY 2025, the Company increased its business of Nickel Cadmium Pocket Plate by 30%+ compared with FY 2024, recording volume growth across all user segments. The Company continues to be a most preferred vendor in this product segment backed by timely and quality supplies. The order book position as of March 31, 2025, is encouraging and the company expects strong order flow in FY2026 as well, necessitating appropriate capacity expansion through adequate line balancing.

In FY2025, exports of industrial batteries comprising both lead acid and Nickel Cadmium products increased significantly recording 40% growth. The business from new customers – both OEMs and EPCs helped enhance the volume across geographies, more so in Middle East Region. The Company's focused efforts in enhancing engagement with OEMs and agency network helped. In FY 2026, the Company will increase its on-ground market development efforts in APAC, Africa and Europe regions. The order booking position as of March 31, 2025, for supplies in FY 2026 is very strong and pipeline of offers is very encouraging. The company expects to improve its performance further in FY 2026 as well. To meet the demand, NCPP capacity meant for exports is enhanced through line balancing.

LITHIUM ION BATTERIES (LIB) DIVISION

Lithium-Ion cells are now price competitive with industrial VRLA lead batteries, and it is matter of time before industrial VRLA lead batteries are replaced with LIB, by all big customers. VRLA will coexist, but not in all prime markets. HBL was aware of this shift; competence has been established in LIB. Scale can be gradually increased to meet demand for Solar Energy Storage Systems which require suppliers to offer a lot of engineering, apart from BMS, to be integrated.

Except in consumer products, Lithium-Ion cells are not used directly. The need is for batteries. The business of making cells, and the business of using cells to design and integrate other parts of a battery to meet customer needs, are different businesses. A global scale company like BYD can be in both, and even produce EVs themselves.

Both of India's leading automotive lead battery companies, and several other ambitious Indian companies, have committed to invest large capex to make Lithium-Ion cells. HBL approach to this domain is consistent with our vision. We will not enter capital intensive businesses. Instead, we will focus on low volume, customized, engineering intensive higher margin markets for LIB. This is where HBL's Engineering capabilities help become competitive.

HBL's "Industrial" customers for LIB include Vande Bharat trains. Siemens in Germany has chosen HBL as one of two sources to be developed globally, for LIB for Siemens built train and metro cars. Defence customers abroad have purchased HBL LIB for their armoured vehicles. In India, HBL has contacts for undersea vessels of critical importance which should lead to sales in CY 2026.

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

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

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

DEFENCE BUSINESSES SEGMENT

HBL began with filling the technology gap for batteries for defence aircraft. Many other types of batteries for defence were developed over the years. Niche opportunities in electronics products used in defence are being added.

Defence businesses worldwide are not transparent because of security considerations. They are procedure heavy, which makes it difficult to enter; but the same feature discourages new entrants. HBL's position is secure.

Batteries are "revenue" items, and need replacement at regular intervals. Therefore, while demand for each type of battery is not predictable annually, the aggregate demand tends to grow steadily.

HBL products for "capital" items in defence are very few. The demand for these tends to be quite unpredictable.

BATTERIES DIVISION

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

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

ELECTRONICS DIVISION

Fuzes are needed to detonate ammunition. Electronic fuzes are more reliable than mechanical fuzes. HBL has successfully developed and obtained approvals for many types of Electronic Fuzes including grenades, artillery shells, rockets, missiles, air-dropped bombs. HBL is the only company in India with 100% indigenisation. This would be the largest single contributor to revenues from the Defence Segment.

OTHER ELECTRONIC PRODUCTS

Voice and data Communications system for armoured vehicles (Battle Tanks and Armoured Personnel Carriers). HBL is the only supplier in India of this capital item. HBL also did high value "projects" which recur only with long intervals. Platform Management and Steering Systems, built to print by HBL, for Scorpene submarines is a prominent example.



INDUSTRIAL ELECTRONICS SEGMENT

RAIL SIGNALING DIVISION

KAVACH

In 2005, RDSO asked HBL whether we can invest on development of an indigenous train collision avoidance system. There was no funding from RDSO. On 27 Oct 2012, HBL successfully demonstrated the concept, on the tracks. The specification at that time was v3.1. Two more companies then joined the effort, and spec was revised to 3.2. Interoperability among all three firms had to be established, before trial orders were placed by the Railways during 2019 to 2021.

Kavach v4.0 The earlier Kavach (train collision avoidance system) specification, called v3.2, was designed for protecting trains running at 110 kmph speed. This was used by the Railways for several contracts. This specification was revised to V4.0 in 2022 to facilitate protection of trains running at 160 kmph. Contracts awarded in 2022 were expected to be deployed with this version, although no supplier had an approved product in 2022.

On 16 July 2024, after several iterations, the V4.0 specification was frozen and formally approved. Bidders in new tenders needed to supply Kavach equipment qualifying to this spec before they can execute new contracts. Since the development of v4.0 spec started in 2022, new tenders were held back by the Railways to give time to OEMs to achieve v4.0 certification. This was why HBL overall sales in FY 25 were lower than budgeted.

On 24th Sep 2024, HBL was the first Kavach OEM to demonstrate the functioning of Kavach system with this new specification in West Central Railway from Kota to Sawai Madhopur. Minister of Railways witnessed the successful trial of this system during a loco trial. Kavach tenders were issued from October 2024, expecting that OEMs would be certified soon. But the Kavach system is complex, the specification is demanding and Railway operations are far from simple. This delayed the certification. Meanwhile, tenders covering 19,000 km were floated and contracts for 16,000 km finalized. Delivery to be compliant with the v4.0 spec.

HBL won contracts totalling about ₹4,000 crs.

6,980 kms, 2,425 locos, 758 stations, 460 level crossing gates

HBL was the first among the OEMs to obtain v4.0 certification, on 13 May 2025.

TMS

There are six Train Management Systems in operation in India. The first two were installed by Bombardier and Alstom. The other four were installed by HBL. The total km now covered by TMS is less than 2% of IR network. TMS and its enhancements will be steadily extended to more and section of the Railways. But the value of contracts will not be comparable to Kavach.

ELECTRIC DRIVE TRAINS DIVISION

EVs : Hope, hype and reality over 20 years

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

A 100 years later, early in this century, very rapid improvements in two technologies, electronics applied to electric motors and Lithium batteries used in EVs, have attracted a lot of public attention. Some people think EVs will replace all engine driven vehicles by 2050.

In the last decade, this euphoria, led to government subsidies for purchase of “pure” electric vehicles in many countries. Toyota alone stood out for questioning this, but was shouted down. In 2025, reality is being recognised and the faith in EVs is eroding rapidly, both in auto manufacturers and in governments, including India.

Ten years ago, HBL's techno-economic market analysis showed that EVs can only be a small percentage of the passenger vehicle population, even after two decades. Further, that business strategy should not be based on subsidies. This has proved to be right.

TECHNOLOGY GAP IN ELECTRIC DRIVE TRAINS

HBL saw that the critical components of electric vehicles, including motors, batteries and electronics were being imported by all EV manufacturers in India. This is a technology gap, that HBL thought can be filled. So development of the electric drive train was started in house.

Our Annual Reports had mentioned this as ongoing work. As is common, some wrong paths and some dead ends took more time than was planned. But, the results and learning about an industry new to HBL, were worth the time and money spent. Road tests on trucks showed that the HBL electric drive train works reliably and could save money on operating costs for some use cases.

Six years ago, HBL had sensed a potential business opportunity in a viable segment of the EV market. That electric trucks could be techno-economically viable in some use cases. HBL was not the only company to see this, globally or in India. Where HBL differed was in HBL's strategy to first fill the technology gap to secure a competitive advantage.

EMERGING MARKET FOR ELECTRIC HEAVY TRUCKS

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

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

Primary Benefit of Electric Drive for Trucks

Saves money Vs diesel drive, under use cases, where the kms/year is high.

Secondary Benefit : ESG Obligations

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



CHARGING PROBLEM

Many of the initial sales are planned to deliver to customers who use trucks off highway. Highway charging infra is being planned by several firms.

Marketing Strategy for Electric Drive Trains

The easy way to commercialise HBL's drive train technology is to try and sell it to truck makers. This is a tedious, low margin (potentially high volume) business. But HBL wants to sell direct to users; lower volume niche markets with higher margins.

After trials of its drive trains on retrofit of old trucks, HBL chose to develop new trucks and sell the trucks. The initial models would be of GVW 35 and 55 Tons. The trucks would be assembled by buying all components from sources currently supplying to truck OEMs. HBL already has space available. Assembly at our limited scale needs little capex.

The last annual report said sales could begin in October 2025. However, unexpected problems (magnets) and ideas emerged in April – June 2025. The schedule for sales is delayed by a year to October 2026.

HUMAN RESOURCES

HBL Engineering Ltd's human resources strategy is a cornerstone of its success, fostering a workforce of 2,152 skilled professionals as of March 31, 2025. With expertise spanning diverse technical domains, the Company cultivates a collaborative, innovative environment. HBL prioritises continuous learning, offering robust training and upskilling programs to keep employees at the forefront of technological advancements. Its commitment to a safe, inclusive, and high-performing workplace empowers employees to reach their full potential. By emphasising well-being and professional growth, HBL ensures its human capital drives organisational excellence, aligning with its mission to bridge technology gaps and deliver cutting-edge solutions.

FINANCIAL RATIOS

In accordance with SEBI regulations, this section details substantial variations in key financial ratios from the prior fiscal year. Any changes surpassing 25% are disclosed as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Particulars	March 31, 2025	March 31, 2024	Change	Reason for change
Debtors' turnover %	5.25	6.23	-15.73%	In FY25, reduced turnover and increased inventory
Inventory turnover %	4.10	5.81	-29.43%	
Interest coverage ratio	31.68	29.42	7.68%	
Current ratio	2.90	2.81	3.20%	
Debt equity ratio	0.04	0.05	-20.00%	
Operating profit margin (%)	17.87	17.17	4.08%	
Net profit margin (%)	13.71	11.87	15.50%	
Return on net worth (%)	18.30	21.74	-15.82%	

INTERNAL CONTROL & ADEQUACY

HBL has established a strong framework of internal controls to promote efficiency and ensure compliance throughout its operations. The company undergoes periodic audits by an independent firm, working alongside statutory auditors and the Audit Committee, to assess the strength of these controls and pinpoint opportunities for enhancements. Additionally, HBL is committed to following strict quality management standards and operational protocols in all manufacturing and operational processes.

HEALTH, SAFETY & ENVIRONMENT

HBL received the prestigious “Outstanding Contribution Award” for its environmental stewardship at the Visakhapatnam SEZ Authority’s 32nd Zone Formation Day celebrations. In addition, HBL was also honoured with an appreciation certificate from the Telangana State Pollution Control Board for adopting exemplary environmental practices. This recognition was bestowed on the eve of India’s 75th Independence Day.

HEALTH

HBL prioritises the health and safety of its workforce. To ensure their well-being, the organization arranges routine health screenings for all employees, carried out by qualified healthcare providers.

SAFETY

HBL emphasizes the importance of safety in the workplace for every staff member. The company promotes a safety-first mindset by offering comprehensive training, necessary safety equipment, and conducting routine drills. Achieving ISO 45001:2008 certification highlights HBL’s dedication to maintaining a protected and secure working environment.

ENVIRONMENT

HBL is dedicated to sustainability and environmental stewardship. The company champions a circular economy model, actively reducing waste through reduction, reuse, and recycling at every level of its operations. Its production facilities have proudly maintained a zero-liquid discharge record for over twenty years. Beyond its own operations, HBL actively supports afforestation initiatives and encourages its suppliers to adopt environmentally responsible practices.



KEY NUMBERS

5

MANUFACTURING FACILITIES

50⁺

EXPORT MARKETS

2,152

EMPLOYEES



1,946

REVENUE (₹ CRORE)

417

EBITDA (₹ CRORE)

267

NET PROFIT (₹ CRORE)



1,458

NETWORTH (₹ CRORE)

433

FIXED ASSETS-NET (₹ CRORE)

53

BOOK VALUE PER SHARE (₹)



25

RETURN ON CAPITAL
EMPLOYED (%)

269

NET FOREIGN EXCHANGE
(₹ CRORE)

0.04

DEBT EQUITY RATIO



9.63

EPS (₹)

227

NET CASH FROM OPERATIONS
(₹ CRORE)

21

EBITDA MARGIN (%)

Our Integrated Facilities



VIZIANAGARAM

Near Visakhapatnam, Andhra Pradesh

Product line: 2V/12V-AGM VRLA



SHAMIRPET

Hyderabad, Telangana

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



NANDIGAON

Near Hyderabad, Telangana

Product line: PLT, Lithium-Ion and Submarine Batteries



THUMKUNTA

Hyderabad, Telangana

Product line: Electronics



VISAKHAPATNAM (SEZ)

Andhra Pradesh

Product line: Ni-Cd batteries



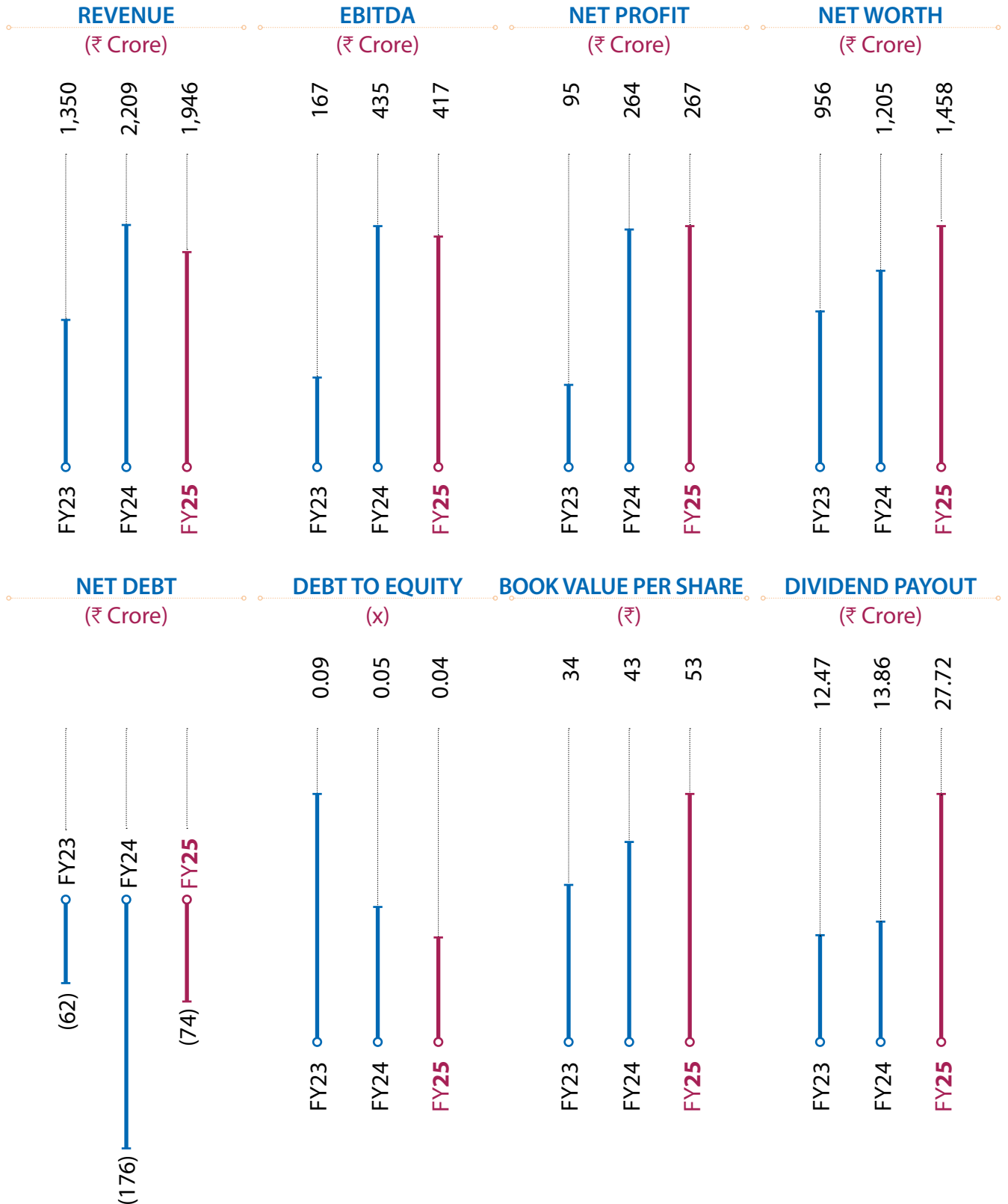
YAPRAL (Development Centre)

Hyderabad, Telangana

Product line: Product development initiatives



KEY PERFORMANCE INDICATORS



HBL'S FY25 CSR AND SUSTAINABILITY INITIATIVES: CREATING MEANINGFUL IMPACT

1. REFORESTATION EFFORTS

HBL is transforming industrial areas into green havens, with 70% green coverage across 163 acres and over 51,000 trees enhancing biodiversity, reducing carbon emissions, and improving air quality. Employees and nearby communities enjoy a healthier, cooler environment, showcasing how industry and nature can coexist sustainably.

2. EARLY CHILDHOOD DEVELOPMENT PROGRAM

Within a 10 km radius of its facilities, HBL supports 157 Anganwadi Centres (up from 123), benefiting 3,000+ children with education, nutritious meals, healthcare, and learning materials. This initiative fosters early development, breaks barriers, and empowers future generations.

3. FIGHTING MALNUTRITION WITH MID-DAY MEALS

Partnering with Akshaya Patra Foundation, HBL provides daily nutritious meals to underprivileged schoolchildren, improving attendance and concentration. The program supports scalable food distribution, ensuring long-term health and educational benefits.

4. CARING FOR THE ELDERLY

HBL aids MEANS, a shelter for the elderly and mentally challenged, by funding meals, medical care, and recreational activities, ensuring dignity and care for vulnerable seniors.

5. EMPOWERING ORPHANS & UNDERPRIVILEGED CHILDREN

- **NICE School:** Funds free education, vocational training, and digital tools for orphans and semi-orphans, aligning with SDG 4 (Quality Education).
- **Jyothi Ashram:** Supports food, clothing, healthcare, and schooling for abandoned children, offering them hope and opportunities.

6. HEALTHCARE INITIATIVES

- **Smile Train:** Sponsored 4 cleft surgeries (Hyderabad & Kashmir) for disadvantaged children, including post-operative care.
- **KVR Memorial Trust:** Funded free eye surgeries for low-income individuals, particularly the elderly.

7. EDUCATION & INFRASTRUCTURE DEVELOPMENT

- **HBL Libraries:** Established 4 libraries in Telangana & Andhra Pradesh government schools (with JD Foundation) to enhance literacy and critical thinking.
- **School Adoption:** Renovated 2 government schools, installed RO water systems, and strengthened foundational learning programs.

8. RURAL DEVELOPMENT

Ongoing programs on various infrastructure works such as laying of roads, clean drinking water, toilets in the villages proximate to HBL locations.



GROWING COMMITMENT TO CSR

All CSR initiatives at HBL are directly implemented and monitored by in house CSR team to ensure a real impact on the ground.

HBL'S FY26 CSR & SUSTAINABILITY INITIATIVES: BUILDING A BRIGHTER FUTURE

1. EARLY CHILDHOOD DEVELOPMENT PROGRAM EXPANSION

HBL will expand its Early Years Child Development Program, increasing support from 157 to 180 Anganwadi Centres, benefiting 3,500+ children within a 10 km radius of its plants. The initiative will continue to provide nutritious meals, healthcare, counselling, and educational materials, ensuring a strong foundation for underprivileged children.

2. SCALING UP NUTRITION FOR EDUCATION

Partnering with Akshaya Patra Foundation, HBL will significantly expand its mid-day meal program, reaching 5,000+ children across Visakhapatnam and Mahabubnagar. This initiative will combat malnutrition, improve school attendance, and enhance learning outcomes through daily nutritious meals.

3. STRENGTHENING HEALTHCARE ACCESS

- **Smile Train Partnership:** HBL will sponsor 10 life-changing cleft surgeries (up from 4) for underprivileged children, including post-operative care and speech therapy.
- **Vision Restoration:** Increased funding to KVR Memorial Trust will enable more free cataract and corrective eye surgeries, particularly for elderly and low-income individuals.
- **HPV Vaccination Drive:** In collaboration with Basavataarakam Cancer Hospital, HBL will provide HPV cervical vaccines to 200 underprivileged girls, preventing cervical cancer and promoting women's health.

4. ADVANCING EDUCATION THROUGH INFRASTRUCTURE & LABS

HBL will intensify its focus on government schools, enhancing practical learning through:

- Science Labs to promote hands-on education.
- Digital Literacy Programs in collaboration with Digital Equity India, equipping students with essential tech skills for the future.
- **Pilot Project - Saraswathi Pratibha Yojana (SPY):** Launching a scholarship program to identify and nurture talented underprivileged students, providing financial aid for higher education.

5. ELDER CARE & SUPPORT FOR VULNERABLE COMMUNITIES

HBL will continue its support for MEANS, a shelter for the elderly and mentally challenged, ensuring dignified care through meals, medical aid, and recreational activities.

6. EMPOWERING ORPHANS & MARGINALIZED CHILDREN

- **NICE School:** Expanded vocational training and digital education for orphans and semi-orphans.
- **Jyothi Ashram:** Ongoing support for food, healthcare, and schooling to help abandoned children thrive.

7. RURAL UPLIFTMENT

New initiatives will focus on bridging the digital divide in rural areas near HBL plants, including:

- Digital Literacy Camps for students and adults.
- Building Stronger Communities with Empowerment and Skills Training initiatives.

8. PILOT PROJECT: PLASTIC RECYCLING PROGRAM

This initiative proposes a 2-part approach under HBL's CSR: Direct initiative establishes "Plastic Banks" in 25 govt schools, incentivizing collection via competitions, while Indirect initiatives support informal waste pickers through training and equipment like agglomerates. The goal is to improve recycling efficiency and scale impact.

A Growing Commitment to Social Impact

HBL's CSR scope will continue to rise, reinforcing its dedication to education, healthcare, environmental sustainability, and digital equity. By empowering communities through nutrition, education, healthcare, and technology, HBL is paving the way for a more inclusive and sustainable tomorrow.





ESG SUMMARY REPORT (FY 2024–25)

SUSTAINABILITY VISION & APPROACH

Keeping sustainability at the heart of its business ethos, HBL Engineering Limited continues to place strong emphasis on the environmental, social, and governance (ESG) dimensions.

HBL strives to keep its products and processes environmentally conscious and future-ready—notable examples include the design of E-Trucks, integration of solar and biomass energy, and the implementation of energy-efficient technologies across its facilities.

Robust pollution control protocols have been established and are actively monitored to ensure compliance with all local and national regulations. The company's Zero Liquid Discharge (ZLD) systems, rainwater harvesting, and reuse of treated wastewater reflect its commitment to water conservation and sustainable resource management.

From the design stage, HBL focuses on minimizing waste and maximizing recyclability. Battery components such as lead, nickel, and cadmium are recovered through certified recycling channels, supporting a circular economy across its manufacturing operations.

Key initiatives such as GHG emission reduction, optimal energy utilization, and adherence to ISO 14001 and ISO 50001 standards reinforce HBL's environmental stewardship. The company has also received multiple environmental certifications across its battery plants, reaffirming its commitment to sustainability.

To ensure alignment across its value chain, HBL has developed the "Environmental and Social Responsibility Code of Conduct". This code outlines expectations for employees and suppliers to uphold sound environmental, health, safety, and human rights practices. Supplier conformance is monitored through structured programs and audits.

Through these integrated efforts, HBL Engineering continues to advance its sustainability journey—engineering solutions that are not only innovative but also responsible.

MATERIALITY ASSESSMENT

In FY 2023–24, HBL conducted a comprehensive Materiality Assessment guided by global frameworks such as GRI, SASB, and MSCI. The process involved peer benchmarking, industry trend analysis, and internal consultations.

As part of this year's review, we reassessed our previously identified material topics and, in consultation with senior leadership, prioritized 9 key material issues that are most critical to our operations and long-term strategy.



ENVIRONMENT (E)

1. Energy Management

- Risk & Opportunity
- Focus: Renewable energy, energy efficiency, ISO certifications

2. Water Management

- Opportunity
- **Focus:** ZLD systems, water reuse, conservation

3. Waste Management

- Risk & Opportunity
- **Focus:** Battery recycling, hazardous waste disposal, circular economy

SOCIAL (S)

4. Occupational Health & Safety

- Risk
- **Focus:** ISO 45001, safety training, emergency preparedness

5. Diversity, Equality & Inclusion

- Opportunity
- **Focus:** Inclusive hiring, equal opportunity, accessibility

6. Community Engagement

- Opportunity
- **Focus:** CSR programs, education, healthcare, nutrition

GOVERNANCE (G)

7. Data Privacy & Cybersecurity

- Risk
- **Focus:** DLP systems, VPN controls, access management

8. Product Safety & Quality

- Risk
- **Focus:** Testing infrastructure, certifications, third-party validation

9. Compliance

- Risk
- **Focus:** Legal adherence, human rights, environmental laws



ENVIRONMENT HIGHLIGHTS

ENERGY MANAGEMENT

HBL has made significant progress in optimizing energy usage and transitioning to cleaner energy sources:

- **Total Energy Consumption:** Reduced by 6.4%, from 318.21 TJ in FY 2023–24 to 297.68 TJ in FY 2024–25.
- **Renewable Energy Usage:** Increased by 86.3%, from 26.23 TJ to 48.90 TJ, driven by:

- Installation of a solar plant (₹2 crore investment)
- Introduction of biomass boilers across facilities
- **Non-Renewable Energy:** Reduced by 13.7%, reflecting a shift toward sustainable sources.
- **Energy Intensity:** Slight increase to 0.0015 TJ/Lakh ₹ turnover, indicating stable efficiency despite expanded operations.

Certifications & Audits:

- ▶ Continued ISO 14001:2015 audits
- ▶ Plans to obtain ISO 50001:2018 for energy management
- ▶ Initiated third-party energy audits to identify inefficiencies

These efforts demonstrate HBL's commitment to reducing its carbon footprint and improving operational efficiency.



WATER MANAGEMENT

Water conservation remains a priority, especially in water-intensive manufacturing processes:

- **Total Water Withdrawal:** Increased slightly by 1.8% to 261,135 KL
- **Water Consumption:** Rose by 5.6%, indicating higher reuse and internal recycling

- **Water Intensity:** Increased to 1.34 KL/Lakh ₹ turnover, reflecting expanded operations
 - **Key Initiatives:**
 - ▶ Zero Liquid Discharge (ZLD) systems implemented across all major plants
 - ▶ Effluent Treatment Plants (ETP) and Sewage Treatment Plants (STP) operational for wastewater recycling
 - ▶ Rainwater harvesting systems installed to recharge groundwater
 - ▶ No water discharged externally, ensuring full internal reuse
- These measures align with HBL's goal of sustainable water stewardship and regulatory compliance.



WASTE MANAGEMENT

HBL continues to strengthen its circular economy practices and reduce environmental impact:

- **Total Waste Generated:** Slight increase to 5,216 MT (₹ 0.25%)
- **Waste Recycled:** Increased dramatically by 321.7%, from 343 MT to 1,449 MT
- **Waste Reused:** Slight decline to 1,341 MT
- **Waste Disposed:** Increased to 2,422 MT, with improved tracking and accountability
- **Key Practices:**
 - ▶ Internal recycling of battery components (Lead, Nickel, Cadmium)
 - ▶ CPCB-certified Extended Producer Responsibility (EPR) compliance
 - ▶ Centralized scrapyards for segregation and disposal
 - ▶ Dedicated scrap management teams and SOPs for waste handling

- ▶ Third-party recyclers engaged for hazardous waste
- HBL's waste management strategy reflects its commitment to minimizing landfill impact and promoting resource recovery.

GHG Emissions Management

HBL Engineering Limited has made substantial progress in managing and reducing its greenhouse gas (GHG) emissions, aligning with its broader climate strategy and sustainability goals.

Scope 1 Emissions

- **Reduction:** Achieved a 24.56% decrease in Scope 1 emissions compared to the previous year.
- **Sources:** These emissions arise from direct operations, including fuel combustion in boilers, generators, and manufacturing processes.
- **Mitigation Measures:**
 - ▶ Transition to biomass boilers and cleaner fuels

- ▶ Installation of energy-efficient equipment
- ▶ Enhanced process controls to reduce fuel consumption

Scope 2 Emissions

- **Reduction:** Scope 2 emissions, which result from purchased electricity, were reduced by 15.47%.
- **Strategy:**
 - ▶ Increased use of renewable energy (solar and biomass)
 - ▶ Implementation of energy audits to identify inefficiencies
 - ▶ Optimization of power usage across facilities

Carbon Sequestration Initiatives

- **Tree Plantation Drive:** Over 51,000 trees planted across industrial zones
- **Green Coverage:** Achieved 70% green cover across 163 acres
- These efforts contribute to natural carbon absorption, improving air quality and supporting biodiversity



SOCIAL HIGHLIGHTS

Health & Safety at HBL

HBL Engineering Limited has implemented a comprehensive Occupational Safety and Health Administration (OSHA) system across all its manufacturing locations, ensuring a safe and compliant work environment for employees and workers.

Certifications & Systems

- ISO 45001:2018 certified Occupational Health & Safety Management System (OHSMS)
- ISO 14001:2015 certified Environmental Management System
- HIRARC (Hazard Identification, Risk Assessment, and Risk Control) conducted biannually
- Zero fatalities reported in FY 2024–25
- LTIFR (Lost Time Injury Frequency Rate) for workers reduced to 1.22 from 14.07 in the previous year

Safety Measures

- Safety induction for all employees
- Specialized training: hazardous material handling, confined space entry, emergency response

- Regular mock drills and fire safety exercises
- Safety audits, toolbox talks, and MSDS compliance
- Safety Committee formed to oversee HSE objectives and promote awareness

Employee Welfare & Well-being

HBL prioritizes the physical, emotional, and mental well-being of its workforce through a range of initiatives:

Health & Wellness Programs

- Access to counseling services, wellness apps, and health screenings
- Medical and accident insurance for employees and their families
- Coverage extended to dependent parents
- Subsidized nutritious meals and periodic health check-ups

Work-Life Balance

- Flexible work policies, including remote work options and flexible hours
- Supportive culture promoting personal and professional balance

Performance & Career Development

- Regular career development discussions and feedback mechanisms
- Transition assistance programs for retirement or termination

Training & Development

HBL fosters a culture of continuous learning and skill enhancement:

Training Coverage (FY 2024–25)

Category	Health & Safety Training	Skill Up-gradation
Employees	78.76%	80.73%
Workers	83.35%	83.35%

Training Topics

- TCAS & TMS modules
- Cybersecurity awareness
- Health awareness
- Emergency preparedness
- On-the-job safety training

Human Rights & DEI Training

- 40% of employees and 45.56% of workers trained on human rights policies
- Inclusive hiring aligned with the Rights of Persons with Disabilities Act, 2016
- Accessible infrastructure

GOVERNANCE HIGHLIGHTS

Board & Leadership Oversight

- Board-approved ESG policies aligned with all 9 NGRBC principles.
- ESG Committee established to oversee sustainability strategy and performance.
- CFO designated as the highest authority for ESG oversight and implementation.
- Annual review of ESG policies and statutory compliance conducted by the ESG Committee.

Ethics & Integrity

- Zero instances of bribery, corruption, or conflict of interest reported in FY 2024–25.

- Anti-Corruption & Anti-Bribery Policy in place, applicable to employees, subsidiaries, and partners.
- Whistleblower and Grievance Redressal Mechanisms operational across all stakeholder groups.
- No fines, penalties, or legal actions from regulatory bodies.

Transparency & Disclosure

- Policies publicly accessible via HBL Policies.
- No complaints received from employees, investors, or communities regarding governance issues.
- Customer complaints (7 filed) were addressed through internal mechanisms; none pending.

Board Diversity

- 50% female representation on the Board of Directors (4 out of 8 members).

Cybersecurity & Data Privacy

- Data Leakage Prevention (DLP) systems implemented.
- VPN access and restricted data controls for remote work.
- Zero data breaches reported.
- No adverse orders or anti-competitive conduct reported.

SUSTAINABILITY WAY FORWARD

HBL Engineering Limited is advancing its sustainability agenda by focusing on renewable energy, water conservation, and circular economy practices. The company has implemented Zero Liquid Discharge systems, invested in solar and biomass energy, and enhanced recycling

of battery components and plastics. These efforts aim to reduce greenhouse gas emissions, improve resource efficiency, and support long-term environmental stewardship.

Socially, HBL is committed to inclusive growth through targeted CSR initiatives in education, nutrition, and healthcare, especially for

marginalized communities. With strong governance, stakeholder engagement, and a dedicated ESG Committee, the company is preparing to set measurable sustainability goals and expand supplier assessments, reinforcing its commitment to responsible and transparent business practices.



CORPORATE INFORMATION

REGISTERED OFFICE:

8-2-601, Road No 10, Banjara Hills, Hyderabad – 500 034, Telangana

CIN: L40109TG1986PLC006745

Phone: 040-23355575

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

BOARD OF DIRECTORS

Executive Directors

Dr. Aluru Jagadish Prasad

Chairman & Managing Director

MSS Srinath

Whole Time Director

Independent Directors

Narsing Rao Singayapally

(Non-Executive Vice-Chairman)

Karipineni Venkat Sriram

Richa Datta

Aparna Surabhi

Non-Executive Directors

Kavita Prasad Aluru

Deeksha Mikkilineni

AUDIT COMMITTEE

Narsing Rao Singayapally - *Chairperson*

Richa Datta - *Member*

Aparna Surabhi - *Member*

Kavita Prasad Aluru - *Member*

KEY MANAGERIAL PERSONNEL

Sairam Edara - *Chief Financial Officer*

GBS Naidu - *Company Secretary*

AUDITORS

Statutory

M/s. LNR Associates

Chartered Accountants

101, Seshu Villa Apartments

Gagan Mahal, Domalguda

Hyderabad-500 029

Cost

M/s. Narasimha Murthy & Co.

Cost Accountants

3-6-365, Pavani Estates,

Y V Rao Mansion Himayatnagar,

Hyderabad - 500 029

Secretarial

CS Vinay Babu Gade

Practicing Company Secretary

#4-65, Koheda, Hayatnagar,

Hyderabad – 501 511

BANKERS

State Bank of India

Axis Bank Limited

ICICI Bank Limited

REGISTRAR AND SHARE TRANSFER AGENT

KFin Technologies Limited

(Unit: HBL Engineering Limited)

Karvy Selenium Tower B, Plot 31-32, Gachibowli,

Financial District, Nanakramguda, Hyderabad – 500 032.

Tel : +91 040 67161530

e-mail: einward.ris@kfintech.com

NOTICE of Annual General Meeting

Notice is hereby given that the Thirty-ninth Annual General Meeting of the members of HBL Engineering Limited (formerly HBL Power Systems Limited) will be held on Thursday, September 25, 2025 at 3.30 p.m. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements (standalone and consolidated) of the Company for the financial year ended March 31, 2025 together with the reports of the Board of directors and auditors thereon.
2. To declare dividend for the year ended March 31, 2025.
3. To appoint a director in place of Ms. Deeksha Mikkileneni (DIN 10267611) who retires by rotation and is eligible for re-appointment.
4. To ratify the appointment of statutory auditors and to authorize the Board to fix their remuneration.

RESOLVED THAT pursuant to the recommendations of the Board of Directors (including Audit Committee), provisions of Section 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification, amendment or enactment thereof, for the time being in force), the appointment of M/s. LNR Associates (FRN: 05381S), Chartered Accountants, Visakhapatnam as independent Statutory Auditor of the Company be and is hereby ratified to hold the office for a period of five years from the conclusion of 36th (thirty-sixth) Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in the year 2027, subject to ratification by members at every year Annual General Meeting,

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

SPECIAL BUSINESS:

5. **Re-appointment of Dr. Aluru Jagadish Prasad (DIN:00057275) as Chairman and Managing Director of the Company for a further period of five years:**

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

"RESOLVED THAT pursuant Article No.86(3) of the Articles of Association, recommendations of the Nomination and Remuneration Committee, the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act") and the Rules framed thereunder, (including any statutory modifications or re-enactment thereof, for the time being in force) Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and subject to such other approvals as may be necessary, approval of the Members of the Company be and is hereby accorded for reappointment of Dr. Aluru Jagadish Prasad (DIN: 00057275) as Chairman and Managing Director of the Company for a further period of 5 (five) years with effect from October 01, 2025 to September 30, 2030 on the following terms and conditions:

- I. Basic Salary:** ₹72.00 lakhs 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 as computed in terms of Section 198. 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.

RESOLVED FURTHER THAT Dr A J 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 except with the prior approval of the members of the Company by a special resolution, the total managerial remuneration payable to the executive director(s) of the Company taken together in any financial year shall not exceed the limit of 10% of net profit and overall managerial remuneration payable to all directors shall not exceed the limit of 11% of net profit of the Company as prescribed under Section 197 of the Act read with rules made thereunder or other applicable provisions or any statutory modifications thereof.

RESOLVED FURTHER THAT the Board may revise the remuneration payable to the Chairman and Managing Director, in any financial year during the tenure of his office, in such manner as may be

agreed to between the Board of Directors and the Chairman and Managing Director subject to the condition that the total remuneration by way of salary, perquisites, commission, other allowances and other benefits, shall be within the limits permissible under Section 197 of the Companies Act 2013.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to alter and vary the terms and conditions of the appointment and/or remuneration based on the recommendation of the Nomination and Remuneration Committee subject to the provisions of Section 197, 198 read with Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force).

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

6. Appointment of Secretarial Auditor for a period of five Financial Years from 2025-26 to 2029-30

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

RESOLVED THAT pursuant to the recommendation of the audit committee, provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and such other applicable laws, if any, the consent of the members of the Company be and is hereby accorded to appoint CS Vinay Babu Gade, Practising Company Secretary, having membership no. A20592 & Peer Review no. 3047/2023, as the Secretarial Auditor of the Company for a period of five Financial Years from 2025-26 to 2029-30 on such

remuneration including out of pocket expenses and other expenses as may be mutually agreed by and between the Board of Directors including its duly authorised committee or official and the Auditor."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its duly authorized committee or official) be and is hereby authorised to do all such acts, deeds, matters, and things as may be necessary, desirable, or expedient to give effect to this resolution including filing of necessary forms with regulatory authorities."

7. Ratification of Cost Auditor's Remuneration for FY 2025-26

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

RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company hereby ratifies the remuneration of ₹10,00,000/- (Rupees Ten Lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses, payable to M/s. K. Narashimha Murthy & Co., Cost Accountants, Hyderabad (Firm Registration No 000042), who are reappointed by the Board of Directors of the Company as Cost Auditors, to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2026.

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

For and on behalf of the Board

Place: Hyderabad
 Date: August 09, 2025

G B S Naidu
 Company Secretary

**Notes:**

- Pursuant to the General Circulars from 2020 and latest being Circular No. 09 / 2024 dated September 19, 2024 issued by the Ministry of Corporate Affairs, Government of India and various circulars of the Securities and Exchange Board of India's latest being Circular No. and SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 3, 2024 ("Circulars"), the 39th AGM of the Company is being held through VC. The deemed venue for the AGM shall be the Registered Office of the Company.
- The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 5 to 7 of the notice, is annexed. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this Annual General Meeting ("AGM") are also annexed.
- In accordance with the Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification/Guidance on applicability of Secretarial Standards - 1 and 2 dated 15th April, 2020 issued by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
- Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body resolution/authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said resolution/authorization shall be sent to the Scrutinizer by email through its registered email address to cs.gvinay@gmail.com with a copy marked to einward.ris@kfintech.com and investor@hbl.in.
- Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/OAVM and vote.
- Members whose shareholding is in electronic mode are requested to notify any change in address or bank account details to their respective depository participant(s) (DP). Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the Circulars. We urge members to utilize the ECS for receiving dividends. Please refer to point no. 16 for the process to be followed for updating bank account details.
- Members may note that the Board, at its meeting held on May 24, 2025, has recommended a final dividend of ₹1.00 per share (being 100% of the face of ₹1 per share) and in this regard, **the Register of Members and Share transfer books of the Company shall remain closed from Saturday, September 13, 2025 to Thursday, September 25, 2025 (both days inclusive). The record date for the purpose of final dividend, if approved by the members, is Friday, September 12, 2025.** The final dividend, once approved by the members in the ensuing AGM, will be paid within the statutory period, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts will be sent to their registered addresses only. To avoid delay in receiving dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the payout date.

8. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividend paid or distributed by a company on or after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

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

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

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

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

However, no tax shall be deducted on the dividend payable to resident individual shareholders if the total dividend to be received by them during financial year 2024-25 does not exceed ₹5,000, and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to resident individual shareholders aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other

document as prescribed under the IT Act to claim a lower / nil withholding of tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

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

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the shareholders or details as prescribed under rule 37BC of the Income-tax Rules, 1962
- Copy of the Tax Residency Certificate for financial year 2024-25 obtained from the revenue or tax authorities of the country of tax residence, duly attested by shareholders
- Electronic Form 10F as per notification no. 03/2022 dated July 16, 2022 issued by the Central Board of Direct Tax [Notification can be read under notification-no-3-2022-systems.pdf (incometaxindia.gov.in)]. Form 10F can be obtained electronically through the e-filing portal of the income tax website at <https://www.incometax.gov.in/iec/foportal>
- Self-declaration by the shareholders of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes, if applicable, duly attested by the shareholders



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

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

The aforementioned documents are required to be sent to investor@hbl.in and einward.ris@kfintech.com by 11:59 p.m. IST on Friday, September 12, 2025. No communication would be accepted from members from September 13, 2025, regarding tax-withholding matters.

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

9. Members are requested to address all correspondence, including dividend-related matters, to RTA, KFin Technologies Limited, Unit: HBL Engineering Limited (formerly HBL Power Systems Limited), Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032, Telangana.
10. Members wishing to claim dividends that remain unclaimed are requested to correspond with the RTA as mentioned above, or with the Company Secretary, at the Company's registered office or at investor@hbl.in. Members are requested to note

that dividends that are not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account will be transferred to the Investor Education and Protection Fund (IEPF). Shares on which dividend remains unclaimed for seven consecutive years shall also be transferred to the IEPF as per Section 124 of the Act, read with applicable IEPF rules.

11. In compliance with Section 108 of the Act, read with the corresponding rules, Regulation 44 of the LODR Regulations and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) facility provided by Kfin Technologies Limited to vote on all the resolutions set forth in this notice. Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by members holding shares in dematerialized mode, physical mode and for members who have not registered their email addresses is provided in the 'Instructions for e-voting' section which forms part of this Notice. The Board has appointed Mr. Vinay Babu Gade (Membership No. ACS 20592) (CP No. 20707) Practicing Company Secretary, as the scrutinizer ("Scrutinizer") for conducting the e-voting process in a fair and transparent manner.
12. The Scrutinizer will submit his report to the Chairman of the Company ("the Chairman") or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes cast during the AGM and votes cast through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges and will also be displayed on the Company's website, www.hbl.in.
13. **Members holding share either in physical or dematerialized form, as on cut-off date, i.e. Friday, September 12, 2025, may cast their votes electronically. The e-voting period**

commences on Monday, September 22, 2025 at 9:00 a.m. IST and ends on Wednesday, September 24, 2025 at 5:00 p.m. IST. The e-voting module will be disabled by KFin Technologies Limited thereafter. Members will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. Friday, September 12, 2025. A person who is not a member as on the cut-off date is requested to treat this Notice for information purposes only.

14. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting period mentioned above or is otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
15. Any person holding shares in physical form, and non-individual shareholders who acquire shares of the Company and become members of the Company after the Notice is sent and holding shares as of the cut-off date, i.e. Friday, September 12, 2025, may follow steps mentioned in the Notice under 'Instructions for e-voting'.

16. In compliance with the Circulars, the Annual Report 2024-25, the Notice of the 39th AGM, and instructions for e-voting are being sent through electronic mode to those members whose email addresses are registered with the Company / depository participant(s) (DP). Members may also note that the Notice of the 39th AGM and the Annual Report 2024-25 will also be available on the Company's website, <https://hbl.in/Investors-Details.php>, websites of the stock exchanges, i.e. BSE and NSE, at www.bseindia.com and www.nseindia.com, respectively.
17. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective DP, and members holding shares in physical mode are requested to update their email addresses with the Company's RTA, KFin Technologies Limited at einward.ris@kfintech.com, to receive copies of the Annual Report 2024-25 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the report and update of bank account details for the receipt of dividend.

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

18. Additional information, pursuant to Regulation 36 of the LODR Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of this Notice.
19. SEBI has mandated the submission of PAN, KYC details and nomination by holders of physical securities by October 1, 2023 vide its circular dated March 16, 2023. Shareholders



are requested to submit their PAN, KYC and nomination details to the Company's RTA, KFin Technologies Limited, at einward.ris@kfintech.com. Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP. In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2025 in accordance with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

20. As per Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. Members are requested to submit

these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.

21. Since the AGM will be held through VC in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
22. Instructions for e-voting and joining the AGM are as follows:

PROCEDURE FOR REMOTE E-VOTING

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

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

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

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

Details on Step 1 are mentioned below:

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1. User already registered for IDeAS facility:</p> <ol style="list-style-type: none"> Visit URL: https://eservices.nsdl.com Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDeAS e-Services</p> <ol style="list-style-type: none"> To register click on link : https://eservices.nsdl.com Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Proceed with completing the required fields. Follow steps given in points 1 <p>3. Alternatively by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> Open URL: https://www.evoting.nsdl.com/ Click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFIN. On successful selection, you will be redirected to KFIN e-Voting page for casting your vote during the remote e-Voting period.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> Visit URL: https://web.cdslindia.com/myeasinew/home/login or URL: www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFIN e-Voting portal. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/Easiest</p> <ol style="list-style-type: none"> Option to register is available at https://web.cdslindia.com/myeasinew/Registration/EasiRegistration Proceed with completing the required fields. Follow the steps given in point 1 <p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> Visit URL: www.cdslindia.com Provide your demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP, i.e. KFIN where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	<ol style="list-style-type: none"> You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider – KFIN and you will be redirected to e-Voting website of KFIN for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no. 022-4886 7000 and 022-2499 7000
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Details on Step 2 are mentioned below:

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

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

- Launch internet browser by typing the URL: <https://evoting.kfintech.com/>

- Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFIN for e-voting, you can use your existing User ID and password for casting the vote.
- After entering these details appropriately, click on "LOGIN".
- You will now reach password change Menu wherein you are required to mandatorily change your password. The new password



shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

- v. You need to login again with the new credentials.
- vi. On successful login, the system will prompt you to select the "EVEN" i.e., **"HBL Engineering Limited - AGM"** and click on "Submit"
- vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/ AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
- viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s),

you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

(B) Procedure for Registration of email and Mobile: securities in physical mode

Physical shareholders are hereby notified that based on SEBI Circular number: SEBI/HO/MIRSD/ MIRSD-PoD-1/P/CIR/2023/37, dated March 16th, 2023, All holders of physical securities in listed companies shall register the postal address with PIN for their corresponding folio numbers. It shall be mandatory for the security holders to provide mobile number. Moreover, to avail online services, the security holders can register e-mail ID. Holder can register/update the contact details through submitting the requisite ISR 1 form along with the supporting documents.

ISR 1 Form can be obtained by following the link: <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>

ISR Form(s) and the supporting documents can be provided by any one of the following modes.

- a) Through 'In Person Verification' (IPV): the authorized person of the RTA shall verify the original documents furnished by the investor and retain copy(ies) with IPV stamping with date and initials; or
- b) Through hard copies which are self-attested, which can be shared on the address below; or
Name KFIN Technologies Limited
Address Selenium Building, Tower-B,
Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy,
Telangana India - 500 032.
- c) Through electronic mode with e-sign by following the link: HYPERLINK "<https://ris.kfintech.com/clientservices/isc/default.aspx>" <https://ris.kfintech.com/clientservices/isc/default.aspx#>

Detailed FAQ can be found on the link:
<https://ris.kfintech.com/faq.html>

For more information on updating the email and Mobile details for securities held in electronic mode, please reach out to the respective DP(s), where the DEMAT a/c is being held.

- iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/ OAVM and e-Voting during the meeting.

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

therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- v. **As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at investor@hbl.in. Questions /queries received by the Company from September 22, 2025 9:00 a.m. till September 23, 2025 5:00 p.m. shall only be considered and responded during the AGM.**
- vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.
- vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- viii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.
- ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

- i. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit <https://emeetings.kfintech.com> and login through the user id and password provided in the mail received from KFIN. On successful login, select 'Speaker Registration' which will open from **September 22, 2025 9:00 a.m. till September 23, 2025 5:00 p.m.** Members shall be provided a 'queue



number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

- II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting <https://emeetings.kfintech.com> or may send your questions to investor@hbl.in. Please login through the user id and password provided in the mail received from KFIN. On successful login, select 'Post Your Question' option which will be opened from **September 22, 2025 9:00 a.m. till September 23, 2025 5:00 p.m.**
- III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.kfintech.com> (KFIN Website) or contact Ms. B. Swati Reddy at evoting@kfintech.com or call KFIN's toll free No. 1800-309-4001 for any further clarifications.
- IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Friday, September 12, 2025** being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.
- V. In case a person (individual holding shares in physical mode/ non individuals) has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
 - i. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - ii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFIN at toll free number 1800-309-4001 or write to them at evoting@kfintech.com.
- VI. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's report shall also be placed on the website of the Company.

**EXPLANATORY STATEMENT ON SPECIAL BUSINESS AGENDA IN THE NOTICE OF 39TH AGM
[PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013]****ITEM NO. 5****Re-appointment of Dr. Aluru Jagadish Prasad as Chairman and Managing Director of the Company for a further period of five years**

The Board, upon the recommendations of the Nomination and Remuneration Committee, at its meeting held on August 09, 2025, recommended re-appointment of Dr. Aluru Jagadish Prasad as Chairman and Managing Director for a further period of five (5) years with effect from October 01, 2025 to September 30, 2030.

The resolution seeks the approval of the members in terms of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder (including any statutory modifications or re-enactment(s) thereof, for the time being in force) for the appointments of key managerial personnel.

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

The Board recommends the resolution set forth in Item no. 5 for the approval of members.

ITEM NO. 6**Appointment of Secretarial Auditor**

Your Company is required to obtain a Secretarial Audit Report from a Practicing Company Secretary in accordance with the provisions of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI (LODR) Regulations, 2015. Based on recommendation of Audit Committee, the Board of Directors at its meeting held on May 24, 2025 has approved the appointment of CS Vinay Babu Gade, Practicing Company Secretary, having membership no. A20592 & Peer Review no. 3047/2023, as the Secretarial Auditor of the Company for a period of five financial

years from 2025-26 to 2029-30 on such remuneration including out of pocket expenses and other expenses as may be mutually agreed by and between the Board of Directors including its duly authorised committee or official and the Auditor.

The Remuneration would be fixed by the Board of Directors including its duly authorised committee or official, from time to time. The Secretarial Auditor will conduct the audit and issue a report in Form MR-3 as prescribed under the Companies Act, 2013.

None of the Directors, Key Managerial Personnel or their relatives are in any way, financially or otherwise, concerned or interested in this resolution. The Board recommends the resolution set out in Item No.6 of the Notice for approval of the shareholders as an Ordinary Resolution.

ITEM NO. 7**Ratification of Cost Auditor's remuneration for FY 2025-26**

As per the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014 ("the Rules"), as amended from time to time, the Company is required to have an audit of its cost records conducted by a cost accountant in practice for products covered under the Companies (Cost Records and Audit) Rules, 2014. The Board, based on the recommendation of the Audit Committee, has approved the re-appointment of M/s K. Narashimha Murthy & Co., Cost Accountants, Hyderabad (Firm Registration Number 000042), as the Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2026, at a remuneration of ₹10,00,000/- (Rupees Ten Lakhs) plus applicable taxes and reimbursement of reasonable out of pocket expenses.

In accordance with Section 148(3) of the Act, read with the Companies (Audit and Auditors) Rules, 2014,



the remuneration payable to the Cost Auditors, as recommended by the Audit Committee and approved by the Board of Directors, is required to be ratified by the Members of the Company. Accordingly, the consent of the Members is sought for passing an ordinary resolution as set out in Item No. 7 of the Notice for ratification of the remuneration payable to

the Cost Auditors, for the financial year ending March 31, 2025.

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

Place: Hyderabad
Date: August 09, 2025

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

ANNEXURE TO EXPLANATORY STATEMENT

I. General Information:

- Nature of Industry:** The Company is engaged in designing, development and manufacture of specialized batteries, electronics products and other engineering products in India. With over four decades of its experience in this field, the Company offers a wide range of batteries and other electronics to its customers, custom built solutions to meet critical requirements. The Company operates from different manufacturing facilities and regional offices across India and abroad through its subsidiaries.
- The Company has commenced its commercial activity in the year 1986.
- The Company is in existence for over 3 decades hence, clause 3 of General Information is not applicable.
- Financial Performance (based on audited financial statements): (₹ in Crores)

S. No.	Financial Year	Paid-up Capital	Sales	Profit before Tax	Profit after Tax	Dividend declared and paid
1	31.03.2021	27.72	909	19	15	10
2	31.03.2022	27.72	1221	118	89	11
3	31.03.2023	27.72	1350	126	95	12
4	31.03.2024	27.72	2209	355	264	14
5	31.03.2025	27.72	1964	362	267	28

- Export performance (based on audited financial statements): (₹ in Crores)

Financial Year →	March 2021	March 2022	March 2023	March 2024	March 2025
Particulars ↓					
Export sales	168	255	210	288	452

- There is no Foreign Investment or Foreign Collaboration.

II. Information about the appointees:

- 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.
- Past Remuneration paid to Dr. Aluru Jagadish Prasad: (₹ in Crores)

Financial Year	Salary	Commission Computed as per Section 198	Total
2022-23	1.03	3.78	4.81
2023-24	1.03	19.04	20.07
2024-25	1.03	18.95	19.98

- Recognition or Awards:** Appointee has rich and extensive experience in international business management and operations, which is steering strength for the development of the Company.
- 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 remuneration is as mentioned in notice.
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 34th Annual General Meeting held on September 26 2020 is considered to be reasonable and is within the scale of Schedule V of the Companies Act, 2013 and rules made thereunder, is well in comparison with the remuneration payable to managerial personnel 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.

Place: Hyderabad
Date: August 09, 2025

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

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

Name of the appointee	Deeksha Mikkilineni	Dr. Aluru Jagadish Prasad
DIN	10267611	00057275
Category	Director – Promoter group	Chairman and Managing Director
Date of Birth	19.09.2001	03.11.1945
Date of appointment/re-appointment	11.08.2023	20.08.1986
Qualification	MS in Biotechnology and Entrepreneurship from New York University.	B Tech from IIT (Kharagpur); MS in Management from MIT, USA, Doctorate in International Business from Columbia University, USA.
Brief profile and expertise in specific functional area	learning through Board participation	Overall management of the company with specific focus on product development and promotion of export sales.
Chairman/ Member of Committees of the Board of Companies of which he/she is a director	NIL	Chairman of the Board of Directors.
Shareholding as on 31.03.2025	20,87,187 shares (0.75%)	26,92,827 Shares (0.97%)
Last remuneration drawn	NIL	₹1.03 Crores.
Relationship with other Directors/KMP etc.	Related to Dr. Aluru Jagadish Prasad, Chairman and Managing Director, Mrs. Kavita Prasad and Mr. MSS Srinath, Directors.	Relative of Directors, Mrs. Kavita Prasad Aluru, Mr. MSS Srinath and Ms. Deeksha Mikkilineni
Meetings of Board attend during the financial year 2024-25	Three	Four

For and on behalf of the Board

Place: Hyderabad
 Date: August 09, 2025

G B S Naidu
 Company Secretary



DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Thirty-ninth Annual Report for the financial year ended on March 31, 2025. The Standalone and Consolidated financial performance is presented below prepared in accordance with the Ind AS notified under the Companies (Indian Accounting Standards) as amended.

(₹ in Crs)

Particulars	Standalone		Consolidated	
	2024-25	2023-24	2024-25	2023-24
Revenue from Operations	1,946.13	2,208.59	1,967.20	2,233.35
Other Income	26.79	16.65	26.09	17.91
Total Income	1,972.92	2,225.25	1,993.29	2,251.26
Total Expenditure	1,555.82	1,790.08	1,575.15	1,809.89
Earnings before interest, depreciation and tax (EBITDA)	417.09	435.17	418.13	441.38
Finance Costs	11.76	12.42	13.02	12.94
Depreciation & Amortization expenses	42.44	39.41	44.19	41.26
Profit before Exceptional items and Tax	362.89	383.34	360.92	387.18
Exceptional Items – Income / (Expenses)	(1.23)	(28.17)	(0.98)	(28.08)
Share of Profit/loss of associates	0.00	0.00	13.91	17.69
Profit before tax (PBT)	361.66	355.17	373.85	376.78
Provision for tax & Deferred tax adjustment	94.16	91.38	97.37	96.44
Non-controlling interest	-	-	(0.44)	(0.54)
Profit after tax (PAT)	267.50	263.79	276.92	280.88
Other comprehensive income (net)	(0.66)	(1.69)	(0.85)	(1.77)
Total Comprehensive Income for the Period (PAT)	266.84	262.10	276.07	279.11
Earnings Per Share (Diluted EPS of Rupees)	9.63	9.46	9.96	10.07
Proposed Dividend on share of ₹1 each	100%	50%	-	-

Performance Review and operating results

Standalone revenue from operations was ₹1,946.13 crores in FY25 which was around 12% lower than previous years' operating revenue. The profit after tax for the FY25 was ₹267.50 crores as compared to ₹263.79 crores for the FY24. The overall expenditure during the reporting period was 13% lower than the previous years' expenditure.

Please refer to the Management Discussion & Analysis Report section of the annual report for detailed analysis.

Change in the name of the Company

The members are aware that at the previous annual general meeting, the members have approved the change in the name of the Company from HBL Power Systems Limited to HBL Engineering Limited. Necessary application was made to the Ministry of Corporate Affairs which was approved and a fresh certificate of Incorporation was issued on November 13, 2024.

Dividend

Your Directors are pleased to recommend a final dividend of 100% (i.e. ₹1 per equity share of ₹1 each

fully paid up) for the Financial Year 2024-25 subject to the approval of the members at the ensuing annual general meeting. The proposed final dividend, if approved by the members, would involve cash out flow of ₹27.72 Crores and will be paid subject to deduction of applicable tax pursuant to Finance Act, 2020.

Pursuant to Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company had formulated a Dividend Distribution Policy ('the Policy'). The Policy is available on the Company's website at <https://hbl.in/reports/HBL-Policies.pdf>.

The details of book-closure and record date for entitlement of members to receive dividend, if approved, for the financial year March 31, 2025 is given in the notes to the notice of annual general meeting of this annual report.

Consolidated Financial Statement

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

The Consolidated Revenue from operations was ₹1,967.20 crores in the current year as compared to ₹2,233.35 crores in the previous year. The consolidated profit after tax was ₹276.92 crores as against ₹280.88 crores in the previous year.

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

Additionally, the Company will make available the said financial statement of the subsidiary companies pursuant to the provisions of Section 136 upon a request by any Member of the Company or its

subsidiary(ies) including associate companies. These financial statements of the Company, the subsidiary(ies) and associate companies would be available on the website of the Company at <https://hbl.in/Investors-Details.php>.

Subsidiary and Associate Companies (as on March 31, 2025)

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

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

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

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

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

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

Share Capital

The paid up-capital of the Company is ₹27.72 Crores divided into 27,71,94,946 equity shares of ₹1 each,



fully paid-up. Company has not issued different class of securities except equity. There is no change in the share capital of the Company.

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

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

Directors and Key Managerial Personnel (KMP)

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Deeksha Mikkilineni (DIN 10267611) will retire by rotation at the 39th AGM and being eligible, has offered for re-appointment. Brief profile of the appointee has been provided elsewhere in the annual report.

During the reporting year, the period of two terms of office of CA P. Ganapathi Rao and Mrs. Preeti Khandelwal as Independent Directors completed on the Board and therefore retired w.e.f. November 13, 2024. CA P. Ganapathi Rao joined on April 25, 2005 and Mrs. Preeti Khandelwal joined on March 02, 2009 as Independent Directors on the Board of HBL. Effective April 01, 2014, the office of the Independent Directors has been restricted to two terms of five consecutive years each pursuant to Section 149(10) and (11) of the Companies Act 2013. Accordingly, pursuant to the clarification provided by the Ministry of Corporate Affairs and to comply with the transitional provisions of Section 149(5), Mr. P. Ganapathi Rao and Mrs. Preeti Khandelwal were appointed as Independent Directors with effect from November 14, 2014 and 2019. The Board appreciates the valuable participation, contribution and guidance to the Board during their office on the Board of the Company.

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

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

Change in Key Managerial Personnel

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

Number of meetings of the board

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

Committees of the Board

As required under the Companies Act, 2013 and the SEBI Listing Regulations, your Company has constituted various Statutory Committees. Additionally, the Board has formed other governance committees and sub-committees to review specific business operations and governance matters including any specific items that the Board may decide to delegate. Effective October 01, 2024, the Committees were reconstituted upon retirement of CA P. Ganapathi Rao and Mrs. Preeti Khandelwal from the Board. As on March 31, 2025, the Board has comprised the following committees:

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

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

Board evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees,

and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations. The performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

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

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

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

Policy on directors' appointment and remuneration and other details

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

Audit committee

The details pertaining to composition of Audit Committee are included in the report on corporate

governance, which forms part of this report. The Board of Directors has accepted the recommendations of the Audit Committee placed at respective meetings.

Risk Management

The Board of Directors of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company. The Committee is responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis. All the identified risks are managed through continuous review of business parameters by the management and the board of directors is also informed of the risks and concerns.

Internal financial controls

Pursuant to Section 134 of the Companies Act 2013, the Directors state that the Board, through the operating management has laid down Internal Financial Controls to be followed by the Company and such policies and procedures were adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The Audit Committee evaluates the internal financial control system periodically. To the best of their knowledge and ability and inputs provided by various assurance providers confirm that such financial controls are adequate with reference to the size and operations of the Company and no reportable material weakness or deficiency in the design or operation of internal financial controls was observed.

Particulars of loans, guarantees and investments

The investment in 1,12,156 Compulsorily Convertible Preference Shares of ₹100 each in Tonbo Imaging India Private Limited (Tonbo), Bengaluru, have been converted into 81,630 Equity Shares of ₹10 each during



the reporting financial year resulting in reduction in shareholding to 11.13%. Subsequently, during the current the financial year 2026, 19 (Nineteen) bonus shares for every 1 (One) share held were issued, thereby HBL holds 16,32,600 equity shares of ₹10 each representing 14.25% in Tonbo. Other particulars of loans, guarantees and investments have been disclosed in the financial statements.

During the reporting period, the Company has not made any other investment, given guarantee to any of its subsidiaries and associates companies and other body corporates and persons except as disclosed in the financial statements.

Transactions with related parties

All contracts/ arrangements/ transactions entered by the Company during the FY 2024-25 with related parties were on an arm's length basis and in the ordinary course of business and approved by the Audit Committee. Certain transactions, which were repetitive in nature, were approved through omnibus route.

As per the SEBI Listing Regulations, if any Related Party Transactions ('RPT') exceeds ₹1,000 crore or 10% of the annual consolidated turnover as per the last audited financial statement whichever is lower, would be considered as material and would require Members approval. In this regard, the Company has obtained necessary approval of the members at the previous annual general meeting. However, there were no material transactions of the Company with any of its related parties as per the Act. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure I in Form AOC-2.

The details of RPTs during FY 2024-25, including transaction with person or entity belonging to the promoter/ promoter group which hold(s) 10% or more shareholding in the Company are provided in the accompanying financial statements.

During the FY 2024-25, the Non-Executive Directors of the Company had no pecuniary relationship or transaction with the Company other than sitting

fees, commission and reimbursement of expenses, as applicable.

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

Corporate Social Responsibility

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

Secretarial Standards

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

Business responsibility and sustainability report

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

Management discussion and analysis

Management Discussion and Analysis Report of the Company for year under review as required under Listing Regulations is given as a separate Statement in the Annual Report.

Directors' Responsibility Statement

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

- i. in preparation of the annual accounts, the applicable Ind AS accounting standards have been followed and there are no material departures;

- ii. they have selected such accounting policies as per Ind AS and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, cost, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2024-25.

Extract of annual return

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

Information regarding employees and related disclosures

Your Company consistently believes in concerted efforts in talent management and succession planning practices, strong performance management

and learning and training initiatives. Rewards and recognition are commensurate with performance and that employees have the opportunity to develop and grow. During the year, there were no complaints relating to child labor, forced labor, involuntary labor, sexual harassment in the last financial year and pending as on the end of the financial year.

Sl. No.	Category	Complaints filed during the year	Pending as on end of the year
1	Child labor / forced labor/ involuntary labor	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

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

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

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



HBL has setup an Internal Complaints Committee (ICC) both at the Head office / Corporate office and at every major location where it operates in India. ICC has equal representation of men and women. ICC is chaired by Ms. Sucharita Palepu, external women representation.

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

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

Human resources

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

Diversity and inclusion

Diversity and inclusion at workplace helps nurture innovation, by leveraging the variety of opinions and perspectives coming from employees with diverse age, gender and ethnicity. The Company assists the employees through awareness drives or personal interactions, to build an approach of open mindedness, express of thoughts and culture. The Company employed 7.57% women employees in FY 2024-25 vis-à-vis 5.92% in FY 2023-24.

Particulars of employees

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

Employee Name	Dr. Aluru Jagadish Prasad	MVV Vidyasagar	Sairam Edara
Total remuneration CTC	₹1.03 crs and commission ₹18.95 Crs	₹1.33 Crs	₹1.01 Crs
Designation and Nature of Duties	Chairman and Managing Director	President – Electronics Group	Chief Financial Officer
Qualification	B. Tech from IIT, Kharagpur, MS in Management from Massachusetts Institute of Technology USA, Doctorate in International Business from Columbia University, USA.	BE (Electrical & Electronics)	Qualified CPA (USA) from State Board of Accountancy, Arizona, USA, a Member of ICAI and ICSI, Law graduate from Osmania University, Hyderabad.
Date of commencement of employment	Promoter of the Company	01.04.2011	29.03.2023
Age (years)	79 years	61 years	60 years
Last employment held before Joining the Company	Administrative Staff College of India	Director (Operations) at Axiom Consulting Ltd.	Group CFO - Archean group.

- The ratio of the remuneration of each Non-Executive director to the median remuneration of the employees of the Company for the financial year: Not Applicable as none of the Non-Executive Director was paid any remuneration.

- b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:

Key Managerial Personnel	Remuneration for the financial year (in Crs)		% increase
	March 31, 2025	March 31, 2024	
Dr. Aluru Jagadish Prasad, Chairman and Managing Director	1.03	1.03	-
MSS Srinath, Whole-time Director	0.85	0.57	50.18
GBS Naidu, Company Secretary	0.45	0.40	11.30
Sairam Edara, Chief Financial Officer	1.01	0.85	17.74

- c. The percentage increase in the median remuneration of employees in the financial year: 4.51%
- d. The number of permanent employees on the rolls of Company: 2,152 (as at 31 March 2025)
- e. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of KMP in 2024-25	(₹ Crores)	3.34
Commission on profits to CMD	(₹ Crores)	18.95
Revenue	(₹ Crores)	1,946.13
Profit before tax	(₹ Crores)	362.90
Remuneration of KMPs	as % of revenue	1.15
Remuneration of KMP	as % of PBT	6.14

- f. Comparison of remuneration of each the key managerial personnel (March 31, 2025):

Name of the KMP	Designation	(₹ in Crs.)		
		Remuneration	Commission on profit	Total
Dr. Aluru Jagadish Prasad	Chairman and Managing Director	1.03	18.95	19.98
MSS Srinath	Whole-time Director	0.85	0	0.85
GBS Naidu	Company Secretary	0.45	0	0.45
Sairam Edara	Chief Financial Officer	1.01	0	1.01
Total		3.34	18.95	22.29

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

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

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

Disclosure requirements

As per listing Regulations, corporate governance report with auditors' certificate thereon and

management discussion and analysis are attached separately, which form part of this report.

Vigil Mechanism / Whistle blower policy

The Company has formulated a vigil mechanism / whistle blower policy to provide a vigil mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and the Regulation 22 of the SEBI (LODR) Regulations, 2015.

Deposits from public

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



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 report

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

Prevention of insider trading

Your Company has adopted a code of conduct for prevention of "Insider Trading" as mandated by the SEBI and the same is available on the website of the Company: <https://hbl.in/reports/HBL-Policies.pdf>. Your Company's Audit Committee monitors implementation of said Policy.

Statutory Auditors

M/s LNR Associates, Chartered Accountants (FRN 053815) Visakhapatnam who are the Statutory Auditors of the Company have been appointed by the members at the 36th Annual General Meeting (AGM) of the Company held on September 27, 2022 for a period of five years to hold office till the conclusion of AGM in 2027 subject to ratification of members at every year AGM. Accordingly, ratification of their appointment is being recommended at the ensuing AGM.

The Report given by M/s. LNR Associates, Chartered Accountants on the financial statements of the Company for the year 2024-25 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors had not reported any matter under Section 143 (12) of the Act. Therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Companies Act, 2013.

Cost Auditors

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant. Your Board, on the recommendation of Audit Committee has appointed

M/s K. Narashima Murthy & Co., Hyderabad, Cost Accountants (FRN 000042) as Cost Auditors of the Company for conducting the audit of cost records of the Company. Your Board, on recommendation of the Audit Committee, reappointed them as Cost Auditors for 2025-26, subject to the approval from Central Government, if any.

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

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

Secretarial Auditors, reports and certificates

SEBI in its recent amendment mandated listed entities to appoint Secretarial Auditor for a term of five years subject to approval of the members of the Company. The CS Vinay Babu Gade, Practicing Company Secretary issued a Secretarial Auditor for the financial year 2023-24 and his secretarial audit report is attached to this report in Annexure IV. There are no qualifications, adverse comments and observations in the secretarial audit report for the year 2024-25.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder the Company has appointed CS Vinay Babu Gade, Practicing Company Secretary to undertake the secretarial audit of the Company for the year ended March 31, 2025. Your Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

The Secretarial Audit Report is given in Annexure to this Report. There are no qualifications, adverse comments and observations in the secretarial audit report for the year 2024-25.

Pursuant to Regulation 24(A) of SEBI Listing Regulations, the Company has obtained annual secretarial compliance report from CS Vinay Babu Gade, Practicing Company Secretary (ICSI M No.: A20592 and COP No 20707) and the same submitted to the stock exchanges. There are no qualifications, adverse comments and observations in the secretarial audit report for the year 2024-25.

As required under SEBI (LODR) Regulations, Your Company has obtained a certificate from the Practicing Company Secretary that none of the Directors of the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors by MCA/SEBI and other Statutory Authorities. The said Certificate is forming part of this Report.

In accordance with the provisions of Section 204 of the Companies Act, 2013 and Regulation 24A of the SEBI listing regulations, the Board of Directors, at its meeting held on May 24, 2025, approved the appointment of CS Vinay Babu Gade, Practicing Company Secretary (ICSI M No.: A20592; COP No 20707 and Peer Review no. 3047/2023, as the Secretarial Auditor of the Company for a fixed term of five financial years from FY 2025-26 to FY 2029-30 subject to the approval of the shareholders at the ensuing 39th Annual General Meeting based on the written consent of the Secretarial Auditors and confirmation to the effect that they are eligible and not disqualified to be appointed as the Auditors of the Company in the terms of the provisions of the Listing Regulations, the Companies Act, 2013 and the rules made thereunder.

Dematerialisation of shares

As of March 31, 2025, 99.25% of the Company's paid-up Equity Share Capital exists in dematerialized form, with the remaining 0.75% in physical form. Your Company has issued three reminders to all relevant shareholders, urging them to convert their physical shares into dematerialized form. The Company's Registrars are Kfin Technologies Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032.

General

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

- ✓ There are no significant material orders passed by the Regulators or Courts or Tribunal, which would

impact the going concern status of the Company and its future operation. However, Members attention is drawn to the Statement on Contingent Liabilities and Commitments in the Notes forming part of the Financial Statement.

- ✓ No fraud has been reported by the Auditors to the Audit Committee or the Board.
- ✓ There has been no change in the nature of business of the Company.

Cautionary Statement

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

Acknowledgements

Your Directors place on record their sincere appreciation towards the Company's valued customers and shareholders for the support and the confidence reposed by them in the management of the company and look forward to the continuance of this mutually supportive relationship in future. Your Directors take this opportunity to thank all the Company's Bankers, concerned Central and State Government Departments, Agencies for their support and co-operation to the Company. The Board has special appreciation for the employees for their dedicated services and their ability to deliver good results in the future.

For and on behalf of the Board

Dr A J Prasad

Chairman and Managing Director

Place: Hyderabad

Date: August 09, 2025



**Conservation of energy, technology absorption, foreign exchange earnings
and outgo for the Financial Year 2024-2025**

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

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

- C. Foreign Exchange Earnings and Outgo:

(₹ Crs)

Sl. No.	Particulars	2024-25	2023-24
A	Value of Imports (on Accrual Basis)		
	Raw Materials, Components & Spares	134.81	160.84
	Capital Items/Equipment	8.95	3.59
B	Expenditure in Foreign Currency (on Accrual Basis)		
	Travelling Expenses	0.90	0.64
	Professional Charges	0.29	3.59
	Commission	6.97	3.58
	Marketing Expenses	3.63	2.83
	Advances/Others	28.75	1.28
	Total	184.31	176.35
C	Income in Foreign Currency (on Accrual Basis)		
	Export Sale	451.80	288.08
	Services	1.29	2.55

For and on behalf of the Board

Dr A J Prasad

Chairman and Managing Director

Place: Hyderabad

Date: August 09, 2025

Annexure - I
Form No. AOC-2
**[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act
and Rule 8(2) of the Companies (Accounts) Rules, 2014]**

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

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

The related party transactions entered by the Company during the financial year ended March 31, 2025 with the related parties are well within the scope of statutory and regulatory provisions prescribed under the Companies Act, 2013 read with rules made thereunder; SEBI listing regulations and other applicable regulations, if any, and with the relevant approvals of the Board / members as the case may be.

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

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

(i) Entities

Name of the related party	Nature of relationship
HBL Germany, GmbH	Wholly owned subsidiary
HBL America Inc, USA	Wholly owned subsidiary
Torquedrive Technologies Private Limited	Wholly owned subsidiary
TTL Electric Fuel Private Limited	Subsidiary Company
Kavita Prasad Aluru - Trustee for Aluru Family Private Trust	51.30% shareholding in the Company.
Kavita Prasad Aluru - Trustee for Mikkilineni Family Private Trust	0.09% shareholding in the Company.
Naval Systems and Technologies Private Limited	Associate company
Tonbo Imaging India Private Limited	Associate Company
SCIL Infracon Private Limited	Wholly owned subsidiary – dormant Company

(ii) Key Managerial Personnel

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

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



- c. Duration of the contracts / arrangements / transactions: arrangements are ongoing.
- d. Date(s) of approval by the Board, if any: For transactions with entities mentioned in table (a)(i) above, necessary approval was obtained at the 37th Annual General Meeting of the Company held on September 28, 2023. In respect of the related parties covered in table (a)(ii) approval of the Board and shareholders was obtained as per the provisions of section 188 of the Act and rules made thereunder.
- e. Amount paid as advances, if any: Nil

For and on behalf of the Board

Dr A J Prasad

Chairman and Managing Director

DIN 00057275

Place: Hyderabad

Date: August 09, 2025

Annexure - II

ANNUAL REPORT ON CSR ACTIVITIES**[For the financial year March 31, 2025]****[Pursuant to Section 135 of the Companies Act, 2013 and
the Companies (Corporate Social Responsibility Policy) Rules, 2014]****Brief outline on CSR Policy of the Company**

At HBL, CSR is a essential part of our pledge to being a responsible corporate citizen. We are dedicated to improve the life and the communities, with a concentration on areas nearby our business operations. Our CSR initiatives are aligned with the need of the people living in the surrounding locations of our manufacturing facilities and are guided by the provisions detailed in Schedule VII to the Companies Act, 2013. These initiatives are reviewed periodically and approved by the CSR Committee and the Board of Directors.

HBLs' CSR efforts are focused on the key development areas of Health, Education, Environmental and Rural Development. These initiatives are designed to ensure diversity and inclusivity, and are executed across rural and semi-urban area. Our CSR philosophy, "bring constructive change in the standard of societies around us," reflects our commitment to maximizing our impact through the efficient use of resources, while also improve the outcomes.

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

CSR spending during previous five financial years excluding reporting period

(₹ In Lakhs)

Financial Year	2019-20	2020-21	2021-22	2022-23	2023-24
Amount Spent	115.68	45.24	102.00	167.37	178.94

1. Composition of CSR committee:

Sl. No.	Name and directorship category	Designation / Nature of Directorship	No of meetings held	No of meetings attended
1	P. Ganapathi Rao	Chairperson - Non-Executive Independent Director	2	1*
2	Preeti Khandelwal	Member - Non-Executive Independent Director	2	1*
3	V K Sriram	Chairperson - Non-Executive Independent Director	2	2*
4	Richa Datta	Member - Non-Executive Independent Director	2	2
5	Kavita Prasad Aluru	Member – Non-Executive Director	2	2
6	MSS Srinath	Member – Whole-time Director	2	1*

Note : The Committee was reconstituted with effect from October 01, 2024 due to retirement of P Ganapathi Rao and Preeti Khandelwal from the Board on completion of two terms as independent Directors in the Company. K V Sriram was appointed as Chairperson of the Committee.

**2. Prescribed CSR expenditure:**

During financial year, the Company was required to spend a minimum of ₹414.89 lakhs, computed as per the provisions of the Companies Act, 2013. However, the CSR Committee and the Board have approved budget of ₹425 lakhs. Against the approved budget, the Company spent ₹417.80 lakhs which is higher than the statutory requirement under the Act.

(₹ lakhs)

Sl. No.	Sector – CSR Project	Project area	Actual	Direct /indirect
1	Eradication of Malnutrition and Hunger	Telangana – Shameerpet, Tumkunta, Mahbubnagar and Nandigaon, Andhra Pradesh – Vizianagaram, Visakhapatnam and Narsaraopeta	98.40	Direct
2	Promotion of Children Education	Telangana – Shameerpet, Tumkunta, Mahbubnagar and Nandigaon, Andhra Pradesh – Vizianagaram, Visakhapatnam and Narsaraopeta	158.56	Direct
3	Safe drinking water	Telangana and Andhra Pradesh	2.41	Indirect
4	Contribution to eligible Orphanages / Old age homes	Donations	31.40	Indirect
5	Rural Development	Nandigaon, Telangana	127.03	Direct
Grand Total			417.80	

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

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

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

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

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

Excess amount spent in the Financial year	Minimum spending obligation [Section 135(5)]	Actual amount spent	Amount available for set off [Rule 7(3)]	Financial year upto which set off can be availed	Cumulative amount available for set off
2022-23	119.75	167.37	47.62	2025-26	47.62
2023-24	177.05	178.94	1.89	2026-27	49.51
2024-25	414.89	417.80	2.91	2027-28	52.42

6. Average net profit of the Company as per Section 135(5) of the Act: ₹20,745 lakhs

7. Information as per Section 135 of the Act:

(a)	Two percent of average net profit of the company as per section 135(5)	₹414.89 lakhs
(b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Not claimed
(c)	Amount required to be set off for the financial year, if any	NIL
(d)	Total CSR obligation for the financial year (7a+7b-7c)	₹414.89 lakhs

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

Total Amount Spent during the Financial Year (₹ In lakhs)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount.	Date of transfer
417.80	-	-	-	-	-

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

Sl. No.	Name of the Project	Item in Schedule VII	Local area (Yes /No)	Location of the project	Project duration	Amount allocated for the project (in ₹)	Spent in the current financial Year	Amount transferred as per Section 135(6)	Implementation - Direct (Yes/ No)	Implementation through agency	
				State and District(s)						Name	CSR Registration number
1	Health	Eradicating poverty, hunger, malnutrition, health for children below 6 years age	Yes	Telangana State Medchal-Malkajgiri, Mahaboonaagar and Rangareddy Andhra Pradesh Visakhapatnam, Vizianagaram and Guntur	Open ended	162.00	98.40	NIL	Yes	NA	NA
		Safe drinking water	Yes	Telangana State and Andhra Pradesh	-	-	2.41	NIL	Yes	NA	NA
2	Education	Promoting quality of education for children by providing required facilities (Soft & Hard) including infrastructure and Preschool education below 6 years age	Yes	Telangana State Medchal-Malkajgiri, Mahaboonaagar and Rangareddy Andhra Pradesh Visakhapatnam, Vizianagaram and Guntur	Open ended	243.00	158.56	NIL	Yes	NA	NA
3	Rural development	Rural Development	Yes	Telangana State Mahaboonaagar	-	0.00	127.03	NIL	Yes	NA	NA
Total						405.00	386.40				

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

1	2	3	4	5	6	7	8	
Sl. No.	Name of the Project	Item in Schedule VII	Local area (Yes /No)	Location of the project	Spent for the project	Mode of Implem-entation Direct	Implementation through agency	
				State and Districts			Name	CSR Registration number
1	Education	Promoting quality of education for children by providing required facilities (Soft & Hard)	Yes	Telangana State Medchal-Malkajgiri Rangareddy	1.70	NA	The Akshaya Patra Foundation	CSR00000286
				Andhra Pradesh Vizianagaram Guntur	2.00		Needy Illiterate Children Education	CSR00013933
2	Health /Projects	Supporting in Old age & Orphanage people and Health care projects for under-privildged people	Yes	Telangana State Medchal-Malkajgiri Rangareddy	1.70	NA	Jyothi Orphan Ashram	CSR00034540
				Andhra Pradesh - Vizianagaram & Guntur	2.30		Medical Educational & Nature Service	CSR00032475
				Maharashtra	12.00		Dwaraka Mai Seva Trust	CSR00024141
3	Others - Donations	Various CSR activities as per Schedule VII	Yes	Various locations	6.00	NA	JD (Join for Development) Foundation	CSR00014369
					3.00		K V R Memorial Trust	CSR00004687
					0.50		CORD	CSR00000543
					1.20		Kasturba Gandhi National Memorial Trust	CSR00011945
					1.00		Smile Train India	CSR00000842
Total					31.40	-		

(d) Amount spent in Administrative Overheads: NIL**(e) Amount spent on Impact Assessment, if applicable: Not applicable****(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹417.80 Lakhs****(g) Excess amount for set off, if any**

S. No.	Particular	Amount
1	Two percent of average net profit of the company as per section 135(5)	414.89
2	Total amount spent for the Financial Year	417.80
3	Excess amount spent for the financial year	2.91
4	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	88.54
	Total	91.45
5	Less : the surplus amount pertains to FY 2021-22 not availed till the FY 2025	39.03
6	Net excess amount available for set off in succeeding financial years	52.42

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** NIL
- (b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** NIL
10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:**
- (a) Date of creation or acquisition of the capital asset(s) : **None**
- (b) Amount of CSR spent for creation or acquisition of capital asset : **NIL**
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address, etc. : **NA**
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : **NA**
11. **Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5) of the Act:** NA

Place: Hyderabad
Date: August 09, 2025

Dr A J Prasad
Chairman and Managing Director
DIN: 00057275

K V Sriram
Chairperson, CSR Committee
DIN: 00073911



Annexure - III

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON MARCH 31, 2025

[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 Engineering Limited (Formerly HBL Power Systems Limited)
- iv. Category / Sub-Category of the Company: Company Limited by shares / Indian Non-Government Company
- v. Address of the registered office and contact details:
8-2-601, Road No.10, Banjara Hills, Hyderabad-500034, Telangana
Tel: 91 40 2335 5575, Fax: 91 40 2335 5048
Email: contact @hbl.in Website: www.hbl.in
- vi. Whether listed company: Yes
- vii. Name, address and contact details of Registrar and Transfer Agent, if any
KFin Technologies Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad – 500 032.
Tel : +91 040 67161530
E-mail : einward.ris@kfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Relevant Section
1	HBL America Inc. USA	Not applicable	WOS	100	2(87)
2	HBL Germany GmbH, Germany	Not applicable	WOS	100	2(87)
3	Naval Systems and Technologies Pvt Ltd. Plot 563. Road 31 Jubilee Hills Hyderabad-500 033	U31403TG2006PTC051006	Associate	41	2(6)
4	Torquedrive Technologies Private Limited 8-2-601, Road No.10, Banjara Hills, Hyderabad-500034, Telangana	U29100TG2021PTC148083	WOS	100	2(87)

S. No.	Name and Address of the Company	CIN	Holding / Subsidiary / Associate	% of shares held	Relevant Section
5	TTL Electric Fuel Private Limited 8-2-601, Road No.10, Banjara Hills, Hyderabad-500034, Telangana	U74999TG2021PTC153003	Subsidiary	60	2(87)
6	SCIL Infracon Private Limited** Sy.No.26, Kubera Towers, Trimulgherry, Secunderabad - 500 015	U45400TG2007PTC054295	WOS	100	2(87)
7	Tonbo Imaging India Private Limited Chikkayellappa Tower II, 1 st C Main, Jakassandra Ext Koramangala, Bengaluru 560034, Karnataka	U74140KA2003PTC033043	Associate	11.13	2(6)

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

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

a. Category-wise Share holding

Category of Shareholders		No. of Shares held as at 31.03.2025				No. of Shares held as at 01.04.2024				% Change
		D'mat	Physical	Total	%	D'mat	Physical	Total	%	
A	PROMOTERS AND PROMOTERS GROUP									
1.	INDIAN									
a.	Individual /HUF	1,93,06,130	-	1,93,06,130	6.97	2,13,93,317	-	2,13,93,317	7.72	-0.75
b.	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
c.	Bodies Corporate	14,24,58,992	-	14,24,58,992	51.39	14,24,58,992	-	14,24,58,992	51.39	-
d.	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
e.	Others	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)		16,17,65,122	-	16,17,65,122	58.36	16,38,52,309	-	16,38,52,309	59.11	-0.75
2.	FOREIGN									
a.	Individuals (NRIs/ Foreign Individuals)	20,87,187*	-	20,87,187	0.75	-	-	-	-	+0.75*
b.	Bodies Corporate	-	-	-	-	-	-	-	-	-
c.	Institutions	-	-	-	-	-	-	-	-	-
d.	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
e.	Others	-	-	-	-	-	-	-	-	-
Sub-Total (A) (2)		20,87,187*	-	20,87,187	0.75	-	-	-	-	-+0.75
Total (A)		16,38,52,309	-	16,38,52,309	59.11	16,38,52,309	-	16,38,52,309	59.11	-
B	PUBLIC SHAREHOLDING									
1	Institutions									
a.	Mutual Funds	5,89,121	-	5,89,121	0.21	2,41,037	-	2,41,037	0.09	+0.13
b.	Financial Institutions /Banks	16,500	-	16,500	0.01	2,500	-	2,500	0.00	+0.01
c.	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
d.	Venture Capital Funds	-	-	-	-	-	-	-	-	-



Category of Shareholders		No. of Shares held as at 31.03.2025				No. of Shares held as at 01.04.2024				% Change
		D'mat	Physical	Total	%	D'mat	Physical	Total	%	
e.	Insurance Companies	65,402	-	65,402	0.02	2,032	-	2,032	0.00	+0.02
f.	Foreign Institutional / Portfolio Investors	1,33,90,560	-	1,33,90,560	4.83	1,27,07,216	-	1,27,07,216	4.58	+0.25
g.	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
h.	Alternate Investment fund	3,35,567	-	3,35,567	0.12	15,78,091	-	15,78,091	0.57	-0.45
i.	Others	700	4,000	4,700	0.00	-	4,000	4,000	0.00	-
Sub-Total (B) (1)		1,43,97,850	4,000	1,44,01,850	5.20	1,45,30,876	4,000	1,45,34,876	5.25	-0.05
2	Non- Institutions									
a.	Bodies Corporate	52,24,250	1,000	52,25,250	1.89	42,66,174	1,000	42,67,174	1.54	+0.35
b.	Individuals									
i.	Individuals holding nominal share capital upto ₹2 lac	7,48,78,234	20,79,564	7,69,57,798	27.76	7,33,87,533	21,99,864	7,55,87,397	27.27	+0.49
ii.	Individuals holding nominal share capital in excess of ₹2 lac	68,16,335	-	68,16,335	2.46	1,10,19,752	-	1,10,19,752	3.98	-1.52
c.	Others	99,41,404	-	99,41,404	3.59	79,33,438	-	79,33,438	2.86	+0.72
Sub-Total (B) (2)		9,68,60,223	20,80,564	9,89,40,787	35.69	9,66,06,897	22,00,864	9,88,07,761	35.65	+0.5
Total (B)		11,12,58,073	20,84,564	11,33,42,637	40.89	11,11,37,773	22,04,864	11,33,42,637	40.89	-
C. Shares held by Custodians and against which depository Receipts have been issued		-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)		27,51,10,382	20,84,564	27,71,94,946	100.00	27,49,90,082	22,04,864	27,71,94,946	100.00	-

*The demat account status of Ms Deeksha Mikkilineni forming part of promoters group, has been changed to NRI due to her stay outside country to pursue higher studies and therefore, categorized under para 2(a) of the above table. There is no change in total promoters holding.

b. Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year i.e. 31.03.2025			Shareholding at the end of the year i.e. 01.04.2024			% Change during the year
		No. of Shares	% of total Shares	% of Shares Pledged	No. of Shares	% of total Shares	% of Shares Pledged	
1.	Dr. Aluru Jagadish Prasad	26,92,827	0.97	0.00	26,92,827	0.97	0.00	-
2.	Kavita Prasad Aluru	97,88,386	3.53	0.00	97,88,386	3.53	0.00	-
3.	Advay Bhagirath Mikkilineni	39,17,600	1.41	0.00	39,17,600	1.41	0.00	-
4.	MSS Srinath	19,56,920	0.71	0.00	19,56,920	0.71	0.00	-
5.	Mikkilineni Deeksha	20,87,187	0.75	0.00	20,87,187	0.75	0.00	-
6.	A Uma Devi	9,50,397	0.34	0.00	9,50,397	0.34	0.00	-
7.	Kavita Prasad Aluru- Trustetee for Aluru Family Private Trust	14,22,05,858	51.30	0.00	14,22,05,858	51.30	0.00	-
8.	Kavita Prasad Aluru - Trustee for Mikkilineni Family Private Trust	2,53,134	0.09	0.00	2,53,134	0.09	0.00	-
Total		16,38,52,309	59.11	0.00	16,38,52,309	59.11	0.00	-

c. Change in Promoters' Shareholding

Sl. No.	Name of the Shareholder	Beginning of the year		Date and nature of change	Increase/ Decrease		Cumulative	
		No. of Shares	% of Total Shares		No. of Shares	% of Total Shares	No. of Shares	% of Total Shares
1	Kavita Prasad Aluru-Trustee for Aluru Family Private Trust	14,22,05,858	51.30	NA	-	-	14,22,05,858	51.30

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

Sl. No.	Top 10 Shareholders The shares of the Company are traded on a daily basis and hence the date wise date is not possible. PAN based Shareholding is provided.	Shareholding as at 31.03.2025		Cumulative Shareholding as at 01.04.2024	
		No. of shares	% of total shares	No. of shares	% of total shares
1	Anant Jain	29,10,000	1.05	23,60,190	0.85
2	Vanguard Total International Stock Index Fund	16,25,240	0.59	16,25,240	0.59
3	Vanguard Emerging Markets Stock Index Fund, A Seri	15,08,633	0.54	15,41,814	0.56
4	Government Pension Fund Global	12,78,683	0.46	11,15,039	0.40
5	Hitesh Narsinhbhai Patel	12,60,000	0.45	7,65,000	0.28
6	Ishares Core MSCI Emerging Markets ETF	10,24,676	0.37	9,85,961	0.36
7	Investor Education And Protection Fund Authority	9,72,210	0.35	9,72,210	0.35
8	Vanguard Fiduciary Trust Company Institutional TOT	8,64,474	0.31	7,93,541	0.29
9	Emerging Markets Core Equity Portfolio (The Portfo	6,55,559	0.24	7,24,991	0.26
10.	Yachna Bhatia	6,46,155	0.23	4,99,398	0.18

e. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Beneficiary Account No	Name of the Shareholder	Date	Shareholding as at 31.03.2025		Cumulative Shareholding as at 01.04.2024	
				No. of shares	% of total shares	No. of Shares	% of total shares of the company
1	IN303559-10011800	Dr. Aluru Jagadish Prasad	01.04.2024	26,92,827	0.97		
			31.03.2025			26,92,827	0.97
2	IN303559-10001640	MSS Srinath	01.04.2024	19,56,920	0.70		
			31.03.2025			19,56,920	0.70
3	IN303559-10001666	Kavita Prasad Aluru	01.04.2024	97,88,386	3.53		
			31.03.2025			97,88,386	3.53
4	IN300214-27640243	Mikkilineni Deeksha	01.04.2024	20,87,187	0.75		
			31.03.2025			20,87,187	0.75



f. Indebtedness: Indebtedness of the Company including interest outstanding / accrued but not due for payment as at March 31, 2025.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness In lakhs
Indebtedness at the beginning of the financial year				
i. Principal Amount	3,184.53			3,184.53
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3,184.53	-	-	3,184.53
Change in indebtedness during the financial year				
- Addition	27.41	-	-	27.41
- Reduction	(1,592.48)	-	-	(1,592.48)
Net Change	1,619.46	-	-	1,619.46
Indebtedness at the end of the financial year				
i. Principal Amount	1,619.46	-	-	1,619.46
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	1,619.46	-	-	1,619.46

g. Remuneration of Directors and Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total ₹ lakhs
		Dr. Aluru Jagadish Prasad	MSS Srinath	
1	Total Salary (₹)	103.35	85.00	188.35
2.	Commission on profit (₹)	1,894.71	-	1,894.71
	Total	1,998.06	85.00	2,083.06

(ii) Remuneration to other Directors:

Fee for attending board / committee meetings: Independent Directors	Amount (₹) – Gross
CA Poruri Ganapathi Rao	3,00,000
Karipineni Venkata Sriram	3,75,000
S Narsing Rao	3,50,000
Aparna Surabhi	2,00,000
Total	12,25,000

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

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

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total ₹ Lakhs
		GBS Naidu Company Secretary	Sairam Edara Chief Financial Officer	
	Total Salary	44.70	100.62	145.32

h. Penalties / Punishment/ Compounding of Offences: Below are the penalties and compounding of offences levied during the year ended March 31, 2025: NIL

Annexure - IV**FORM NO. MR - 3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025**

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

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

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

Based on my verification of the HBL's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit.

I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies (Amendment) Act, 2017 (to the extent notified and applicable);
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') (as amended by the Finance Act, 2017) and the rules made thereunder;
- III. The Depositories Act, 1996 (as amended by the Finance Act, 2017) and the regulations and bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (as amended from time to time);
- V. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended)
- VI. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992



VII. Compliance report with respect to Securities and Exchange Board of India Act, 1992 ('SEBI Act'), various listing and other Regulations prescribed by SEBI have been covered in my Annual Secretarial Compliance Report dated May 19, 2025, copy of which is annexed to this report as Annexure B, issued for the financial year ended March 31, 2025 pursuant to SEBI circular No. CIR/CFD/CMD1/27/2019 dated Feb 08, 2019 read with Circular No. NSE/CML/ 2023/21 dated March 16, 2023 and Circular No. NSE/CML/ 2023/30 dated April 10, 2023 issued by National Stock Exchange of India Limited and therefore specific comment under this para has not been made separately.

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

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

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

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

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

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

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

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

I further report that, the Board of Directors of the Company was duly constituted with optimum combination of 2 (two) Executive Directors, 6 (Six) Non-Executive Directors out of which 4 (four) are Independent Directors including 2 (Two) Women Independent Directors.

During the reporting period the following changes took place in the Board of Directors

S. No.	Name of the Director	Date of Change	Nature of Change
1	MSS Srinath	27.05.2024	Appointed as Whole-time Director
2	Aparna Surabhi	27.05.2024	Appointed as an Independent Director
3	Advay Bhagirath Mikkilineni	04.11.2024	Resigned from the Board to pursue higher studies
4	CA P. Ganapathi Rao	13.11.2024	Completed two terms of office as Independent Director and hence retired.
4	Preeti Khandelwal	13.11.2024	

I further report that, there is no other change in key managerial personnel.

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

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

I further report that, based on the review of the compliance reports submitted by the management of the Company, I am of the opinion that there were adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

Place: Hyderabad Date : August 09, 2025	Vinay Babu Gade Practicing Company Secretary ACS No: 20592 CP No: 20707 UDIN: A020592G000970961
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This report is to be read with my letter of even date which is annexed as Annexure – 'A' and forms an integral part of this report.

**Annexure – 'A'**

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

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

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

Place: Hyderabad
Date : August 09, 2025

Vinay Babu Gade
Practicing Company Secretary
ACS No: 20592 CP No: 20707
UDIN: A020592G000970961

Annexure - V**ANNUAL SECRETARIAL COMPLIANCE REPORT**

**HBL Engineering Limited (formerly HBL Power Systems Limited)
for the financial year ended March 31, 2025**

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

- a. all the documents and records made available to us and explanation provided by HBL Engineering Limited ("the listed entity"),
- b. the filings/ submissions made by the listed entity to the stock exchanges,
- c. website of the listed entity,
- d. any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2025 ("Review Period") in respect of compliance with the provisions of:
 - i. the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
 - ii. the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

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

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

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



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

Sl. No.	Particulars	Compliance Status (Yes/No/ NA)	Observations /Remarks by PCS*
1.	Secretarial Standards: The compliances of the listed entity are in accordance with the applicable Secretarial Standards (SS) issued by the Institute of Company Secretaries India (ICSI), as notified by the Central Government under section 118(10) of the Companies Act, 2013 and mandatorily applicable.	Yes	NIL
2.	Adoption and timely updation of the Policies: All applicable policies under SEBI Regulations are adopted with the approval of board of directors of the listed entities All the policies are in conformity with SEBI Regulations and have been reviewed & updated on time, as per the regulations/circulars/guidelines issued by SEBI	Yes	NIL
3.	Maintenance and disclosures on Website: The Listed entity is maintaining a functional website Timely dissemination of the documents/ information under a separate section on the website Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which re- directs to the relevant document(s)/ section of the website.	Yes	NIL
4.	Disqualification of Director: None of the Director(s) of the Company is/ are disqualified under Section 164 of Companies Act, 2013 as confirmed by the listed entity.	Yes	NIL
5.	Details related to Subsidiaries of listed entities have been examined w.r.t.: Identification of material subsidiary companies Disclosure requirement of material as well as other subsidiaries	Yes	NIL
6.	Preservation of Documents: The listed entity is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under SEBI LODR Regulations, 2015.	Yes	NIL
7.	Performance Evaluation: The listed entity has conducted performance evaluation of the Board, Independent Directors and the Committees at the start of every financial year/during the financial year as prescribed in SEBI Regulations.	Yes	NIL
8.	Related Party Transactions: The listed entity has obtained prior approval of Audit Committee for all related party transactions; or The listed entity has provided detailed reasons along with confirmation whether the transactions were subsequently approved/ratified/rejected by the Audit Committee, in case no prior approval has been obtained.	Yes	NIL
9.	Disclosure of events or information: The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of SEBI LODR Regulations, 2015 within the time limits prescribed thereunder.	Yes	NIL
10.	Prohibition of Insider Trading: The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015.	Yes	NIL
11.	Actions taken by SEBI or Stock Exchange(s), if any: No action(s) has been taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder except as provided under separate paragraph herein (**).	NA	NIL
12.	Additional Non-compliances, if any: No additional non-compliance observed for any SEBI regulation/circular/guidance note etc.	NA	NIL

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

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

Not
applicable

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

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

Not applicable

Date: May 19, 2025
Place: Hyderabad

Vinay Babu Gade
 Practicing Company Secretary
 M.No.A20592
 CoP No. 20707
 PR No: 3047/2023
 UDIN:A020592G000377872



Annexure - VI

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**(Pursuant to Regulation 34(3) and Schedule V Para C
clause (10)(i) of the SEBI (LODR) Regulations, 2015)**

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of HBL Engineering Limited (formerly HBL Power Systems Limited) (hereinafter called "HBL" or "the Company") having CIN L40109TG1986PLC006745 and having registered office at 8-2-601, Road No.10, Banjara Hills, Hyderabad – 500034, Telangana State (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Name of the Director and category	DIN	Date of appointment
Dr. Aluru Jagadish Prasad - Chairman & Managing Director	00057275	29/08/1986
Karipineni Venkata Sriram - Non-Executive - Independent Director	00073911	07/02/2018
Richa Datta - Non-Executive - Independent Director	08084501	15/03/2018
Kavita Prasad - Non-Executive-Non-Independent Director	00319292	10/08/2018
Deeksha Mikkilineni - Non-Executive-Non-Independent Director	10267611	11/08/2023
Narsing Rao Singayapally - Non-Executive - Independent Director	00800362	07/02/2024
Aparna Surabhi - Non-Executive - Independent Director	01641633	27/05/2024
MSS Srinath – Whole-time Director	00319175	27/05/2025

Ensuring the eligibility for the appointment/ continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Vinay Babu Gade

Practicing Company Secretary

M.No.A20592

CoP No. 20707

PR No: 3047/2023

UDIN: A020592G000970970

Date: August 09, 2025

Place: Hyderabad

Annexure VII

REPORT ON CORPORATE GOVERNANCE

I. Company's philosophy on Corporate Governance:

Corporate governance philosophy:

At HBL governance principles is founded upon ethical and clear governance practices by implementing the standards of expertise and honesty in day-to-day business activities and decisions. Our Board, together with the committees, upholds all fiduciary responsibilities by ensuring fairness, independence and transparency in all decisions through the governance framework. Fairness, good citizenship, and commitment to compliance are key characteristics that drive relationships of the Board and Senior Management with other stakeholders.

Company's philosophy:

Our governance philosophy is based on the principles of standard decision-making and confirming that our business observes both legal and regulatory requirements as well as on social responsibilities. This structure is aimed to protect the interests of all our stakeholders while reassuring improvement and attainment of calculated commercial objectives.

HBL follows this philosophy for building a sustainable business that is embedded in the community and exhibits carefulness towards the environment. HBL considers that viable growth stems from accountable behaviour towards all stakeholders, including shareholders, employees, customers, and the communities in which we function. The core of our governance practices is strong commitment to environmental and social responsibility, which are important to the

success of our business. The Company's corporate governance philosophy has been further strengthened through the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices ("Insider Trading Code").

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

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable, with regard to corporate governance. Pursuant to Regulation 27(2) of the SEBI Listing Regulations, the Company also submits a quarterly compliance report on Corporate Governance to the Stock Exchanges where the securities of the Company are listed, including details on all material transactions with related parties, within 21 days from the closure of every quarter. The Chairman and Managing Director and the Chief Financial Officer have certified in accordance with Regulation 17(8) read together with Part B of Schedule II of the SEBI Listing Regulations to the



Board on inter-alia, the accuracy of the financial statements and adequacy of internal controls for financial reporting for the Financial Year ended March 31, 2025.

II. Shareholders:

The Listing Regulations and Companies Act, 2013 prescribe the governance by shareholders participation in the corporate actions by passing ordinary and special resolutions at their meetings. HBL follows the applicable and prescribed procedure to ensure that the information with the shareholders is shared on time and with complete details, whether financial or non-financial, with adequate explanation, wherever needed to obtain approval, if any.

Generally, required approvals of the shareholders are taken at the Annual General Meeting. In addition, approval of shareholders can also be

pursued through postal ballot in case of urgency of the matter as per the applicable regulations. During the reporting year there were no instances of passing of resolution through postal ballot.

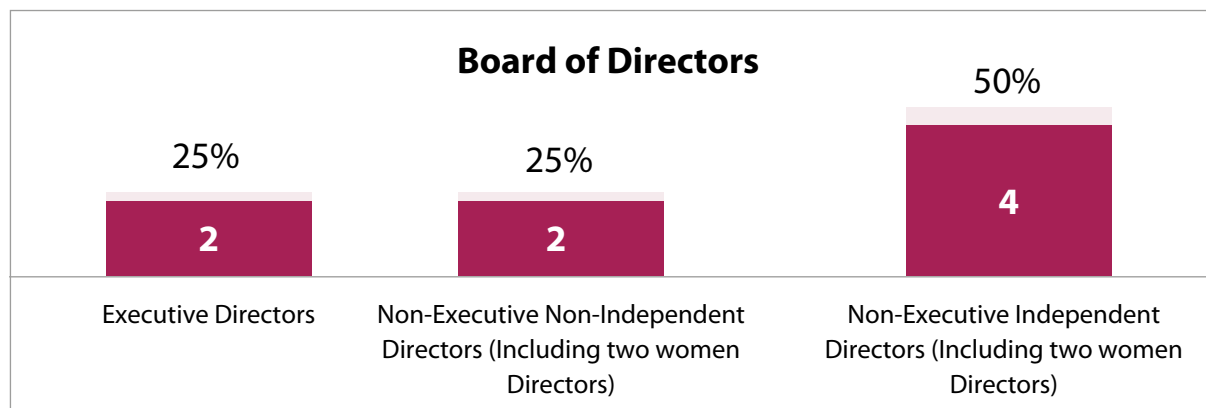
During the year ended March 31, 2025, your Company had complied with the provisions set out on Corporate Governance required under Listing Regulations. In this report, we have provided details on how the corporate governance principles are put into practice.

III. Board of Directors

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

➤ As on March 31, 2025, the Board of Directors of your Company comprises of:

Category	No of Directors
Executive Chairman and Managing Director	1 (One)
Executive Director	1(One)
Non-Executive Directors*	6 (Eight)
Total^	8 (Eight)
* Includes Independent Directors with two women Independent Directors	4 (Four)
^ Includes women Directors	4 (Four)



During the reporting year, the period of two terms of office of CA P. Ganapathi Rao and Mrs. Preeti Khandelwal as Independent Directors completed on the Board and therefore retired w.e.f. November 13, 2024 and Advay Bhagirath Mikkilineni resigned from the Board on November 04, 2024.

The company is in compliance with the requirements of Section 149 and 152 of the Act read with Regulation 17 of the SEBI Listing Regulations. The Company has an appropriate composition and size of the Board.

- None of the directors on the Board
 - holds directorships in more than ten public companies;
 - is a member of more than ten committees or chairperson of more than five committees across all the public companies in which he/she is a director.
 - who are Executive Directors serves as independent directors in any other Company.

Necessary disclosures regarding committee positions in other public companies as on March 31, 2025 have been made by the directors. None of the directors is related to each other except Dr. Aluru Jagadish Prasad, Mrs. Kavita Prasad Aluru, Mr. MSS Srinath and Mikkilineni Deeksha.

- Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Companies Act, 2013 read with rules

framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

- Four meetings of the Board of Directors were held during the reporting period and the gap between two meetings did not exceed one hundred twenty days as per the requirements under the Companies Act, 2013 read with SEBI regulations. The said meetings were held on May 27, 2024; August 08, 2024; November 09, 2024 and February 10, 2025. Necessary quorum was present for all the meetings.
- The agenda papers for the Board and Committee meetings are circulated electronically well before the date of meeting notified to the Board and Committee member, thereby eliminating circulation of printed agenda papers.



- The names and categories of the Directors on the Board, their attendance at Board meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2025 are given below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director and DIN Number	Category [#]	Attendance in the year	Attendance at last AGM	Directorships in other Public Companies [@]		Committee positions held in other Public Companies	
				Chairperson	Member	Chairperson	Member
Dr. Aluru Jagadish Prasad Chairman and Managing Director (DIN: 00057275)	PEC	4	Yes	-	-	-	-
Kavita Prasad Aluru (DIN:00319292)	NENID	4	No	-	-	-	-
Poruri Ganapathi Rao (DIN: 00089685)	NEID	3	Yes	-	-	-	-
Preeti Khandelwal (DIN: 00027999)	NEID	3	No	-	-	-	-
Karipineni Venkata Sriram (DIN: 00073911)	NEID	4	Yes	-	2	-	-
Richa Datta (DIN: 08084501)	NEID	2	No	-	-	-	-
Advay Bhagirath Mikkilineni (DIN: 09207003)	NENID	2	No	-	-	-	-
Deeksha Mikkilineni (DIN: 10267611)	NED	3	No	-	-	-	-
Narsing Rao Singayapally (DIN: 00800362)	NEID	4	Yes	-	-	-	-
MSS Srinath (DIN:00319175)	ED	4	No	-	-	-	-
Aparna Surabhi (DIN: 01641633)	NEID	4	No	-	3	2	5

Note:

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

@ Directorship in other public Companies excluding this company.

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

- Directorship in other public Companies as on March 31, 2025

Name of the Director	Category in this Company	Directorship in other public Companies and designation
Dr. Aluru Jagadish Prasad	Promoter and Executive Chairman	NIL
Kavita Prasad Aluru	Non-Executive-Non-Independent Director	NIL
Karipineni Venkata Sriram	Non-Executive Independent Director	Andhra Electronics Limited - Managing Director Sri Bhavani Castings Limited - Whole Time Director
Richa Datta	Non-Executive Independent Director	NIL
Deeksha Mikkilineni	Non-Executive-Non-Independent Director	NIL
Narsing Rao Singayapally	Non-Executive Independent Director	NIL
MSS Srinath	Executive Director	NIL
Aparna Surabhi	Non-Executive Independent Director	Heritage Foods Limited - Independent Director Heritage Nutrivet Limited - Independent Director Medplus Health Services Limited - Independent Director

- During the financial year, information required in Part A of Schedule II of the SEBI Listing Regulations, 2015 as amended, was placed before the Board for its consideration wherever applicable.
- In the opinion of the Board, the independent directors fulfill the conditions specified SEBI Listing Regulations, 2015 as amended and are independent of the management.
- Status on compliance of applicable laws was reviewed periodically by the Board.
- None of the Independent Directors has resigned from the Board during the reporting period and therefore, disclosure under SEBI listing Regulation 34(3) read with Schedule V (C)(j) is not required. However, during the reporting year, the period of two terms of office of CA P. Ganapathi Rao and Mrs. Preeti Khandelwal as Independent Directors completed on the Board and therefore retired w.e.f. November 13, 2024.
- Details of equity shares of the Company held by the directors as on March 31, 2025 are given below. The Company has not issued any convertible securities.

Name	Category	No of equity shares	Percentage
Dr. A J Prasad	Chairman and Managing Director	26,92,827	0.97
Kavita Prasad Aluru	Non-Executive-Non-Independent Director	97,88,386	3.53
MSS Srinath	Executive Director	19,56,920	0.71
Deeksha Mikkilineni	Non-Executive-Non-Independent Director	20,87,187	0.75

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

- Board comprises of members who bring in the required skills, ability and proficiency to allow them to effectively contribute in deliberations at Board and Committee meetings. The below matrix summarizes a



mix of skills, expertise and competencies expected to be possessed by our individual directors, which are key to corporate governance and Board effectiveness:

Entrepreneurial leadership	Entrepreneurial leadership experience resulting in a practical understanding of organization, processes, strategic planning and risk management. Demonstrated strengths in developing engineering talents and driving the change for long-term growth.
Engineering expertise	Engineering expertise involves application of knowledge to identify and design the systems and processes to fill the technology gaps and reach the goals.
Financial Expertise	Education and experience as an auditor or financial officer / comptroller or holding a position involving performance of similar functions.
Industry experience	Experiences in similar industries, resulting in knowledge of how to anticipate market trends, motivates innovation and extends or create new business models.
Diversity	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders at large.
Board Service and Governance	Service on other public company boards, to develop insights on maintaining board and management accountability, protecting shareholder interests and observing appropriate governance practices.
Sales and Marketing	Experience in developing strategies to grow sales and market share, build brand awareness and equity, as well as enhance brand reputation.
Global Exposure	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.

Key Board Skills, Expertise and Competencies

Name of the Director	Entrepreneurial leadership	Engineering expertise	Financial proficiency	Industry Experience	Diversity	Board Service and Governance	Sales and Marketing	Global Exposure
Dr. Aluru Jagadish Prasad	√	√	√	√	√	√	√	√
Kavita Prasad Aluru	√	-	√	√	√	-	-	√
Karipineni Venkata Sriram	√	√	√	√	√	-	√	√
Richa Datta	√	-	√	-	√	-	-	√
Deeksha Mikkilineni	-	-	-	-	√	-	-	-
Narsing Rao Singayapally	√	√	√	√	√	√	-	√
MSS Srinath	√	-	√	√	√	-	√	√
Aparna Surabhi	√	-	√	√	√	√	-	√

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

Board Evaluation: Pursuant to Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, Board evaluation was conducted for the financial year 2024-25, involving the following:

- Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfillment of the independence criteria prescribed under the Act and SEBI Listing Regulations, including their independence from the Company's Management; and
- Evaluation of the Board of Directors, its Committees including the role of the Board Chairman by Independent Directors.

A meeting of the Independent Directors was held on March 28, 2025 in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations for review of performance of Non-Independent Directors, Chairman and the Board as a whole.

IV. Committees of the Board

The composition and the terms of reference of various Committees constituted by the Board, inter-alia including the details of meetings held during the year and attendance thereat are presented below. All Committee decisions are taken at the meetings of the Committee. The Company Secretary acts as the Secretary for all Committees meetings. During the year under review all recommendations made by the various Committees were accepted by the Board. There are six committees of the Board as on March 31, 2025:

Name of the Committee	Minimum Number of members required	Number of Independent Directors required	Quorum required	Percentage of independence of the Committees
Audit Committee (AC)	Three	Majority	Majority of Independent Directors	75%
Nomination and Remuneration Committee (NRC)				100%
Corporate Social Responsibility Committee (CSR)				50%
Risk Management Committee (RMC)				33%
Stakeholders Relationship Committee (SRC)				33%

The Committees have been reconstituted with effect from October 01, 2024 consequent to retirement of CA P Ganapathi Rao and Preeti Khandelwal as independent directors due to completion of two terms of office as per the provisions of the Companies Act, 2013.

Composition, major terms of reference and other details of the Committees as on March 31, 2025

Audit Committee		
Composition and category	Name of the committee member	Category
	S Narsing Rao (Chairperson) w.e.f. 01.10.2024	Non-Executive Independent Director
	Aparna Surabhi w.e.f. 01.10.2024	Non-Executive Independent Director
	Richa Datta	Non-Executive Independent Director
	Kavita Prasad Aluru	Non-Executive Non-Independent Director
Major terms of reference	<p>Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Companies Act, 2013.</p> <ul style="list-style-type: none"> Oversight of financial reporting process. Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval. Evaluation of internal financial controls and risk management systems. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company. Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same. Approval of related party transactions. 	

**Audit Committee****Meetings and related details**

Five meetings of the Audit Committee were held during the year and the gap between two meetings did not exceed one hundred and twenty days.

- Committee invites head of the finance function, representatives of the statutory auditors, cost and internal auditors, as it considers appropriate, to be present at its meetings.
- The Company Secretary acts as the Secretary to the Audit Committee.
- The previous AGM of the Company was held on September 26, 2024 and was attended by Mr. Poruri Ganapthi Rao, Chairman of the Audit Committee.

Attendance of the members at the committee meetings

Name of the Committee member	Date of meetings				
	27.05.2024	08.08.2024	09.11.2024	10.02.2025	28.03.2025
S Narsing Rao	NA	NA	√	√	√
Aparna Surabhi	NA	NA	√	√	√
Kavita Prasad Aluru	√	√	√	√	√
Richa Datta	√	-	-	-	√

Audit Committee - other details

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

Nomination and Remuneration Committee

Composition and category	Name of the committee member	Category
	S Narsing Rao (Chairperson)	Non-Executive Independent Director
	Aparna Surabhi	Non-Executive Independent Director
	Karipineni Venkata Sriram	Non-Executive Independent Director
	Richa Datta	Non-Executive Independent Director
Major terms of reference	<p>Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.</p> <p>a) To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;</p> <p>b) Formulation of criteria for evaluation of Directors;</p> <p>c) Devising a policy on Board Diversity</p> <p>d) While formulating the remuneration policy, to ensure that -</p> <ul style="list-style-type: none"> - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully; - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and - Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals. <p>e) Identifying the person who is qualified to become a Director or senior managers in accordance with criteria let down and recommend to the Board their appointment and removal. The Company shall disclose remuneration policy and evaluation criteria in its annual reports</p> <p>f) To have relevant experience of contributions to the deliberations of the Board and Corporate Governance</p>	

Nomination and Remuneration Committee
Meetings and related details

Two meetings were held during the financial year.

- a) In discharging its responsibilities, the Committee must have regard to the following policy objectives:
- to ensure that the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
 - to attract and retain skilled executives;
 - to structure short and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns; and
 - to ensure any termination benefits are justified and appropriate.
 - To consider professional indemnity and liability insurance for Directors and senior management.
- b) The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.
- c) Remuneration to Key Managerial Personnel & other employees

Attendance of the members at the committee meetings

Name of the committee member	Date of meetings	
	27.05.2024	08.08.2023
S Narsing Rao (Chairperson)	NA	NA
Aparna Surabhi	NA	NA
Karipineni Venkata Sriram	√	√
Richa Datta	√	-

CA P Ganapathi Rao and Preeti Khandelwal have attended the Committee meetings held before October 01, 2024

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

Nomination and Remuneration Committee - other details

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

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

**Details of remuneration and fees paid during the year:**

a. Directors' remuneration for the year 2024-25

(₹ in lakhs)

Name of the Director	Designation	Remuneration	Commission	Total
Dr. Aluru Jagadish Prasad	Chairman and Managing Director	103.35	1,894.71	1,998.06
MSS Srinath	Whole-time Director	85.00	-	85.00
Total		188.35	1,894.71	2,083.06

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

b. Independent Directors were paid sitting fees for the board meetings in 2024-25

Name of Directors	Board meetings	Committee meeting (for all)	Sitting fees paid (₹)
Poruri Ganapathi Rao	3	6	3,00,000
Karipineni Venkata Sriram	4	7	3,75,000
S Narsing Rao	4	6	3,50,000
Aparna Surabhi	3	2	2,00,000
Total			12,25,000

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

c. Remuneration paid to Key Managerial personnel

Key Managerial Personnel	Remuneration for the financial year		% increase
	March 31, 2025	March 31, 2024	
GBS Naidu, Company Secretary	44.70	40.16	11.30
Sairam Edara, Chief Financial Officer	100.62	85.46	17.74

Stakeholders Relationship Committee					
Composition and category	Name	Category			
	S Narsing Rao (Chairperson)	Non-Executive Independent Director			
	Karipineni Venkata Sriram	Non-Executive Independent Director			
	Kavita Prasad Aluru	Non-Executive Non-Independent Director			
Major terms of reference	Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act. <ul style="list-style-type: none">Consider and resolve the grievances of security holders.Consider and approve issue of share certificates, transfer and transmission of securities, etc.				
Meetings and related details	Four meetings of the Stakeholders’ Relationship Committee were held during the year. <ul style="list-style-type: none">The Company has always valued its customer relationship. This philosophy has been extended to investor relationship. The Committee focuses on servicing the needs of various stakeholders viz., investors, analysts, brokers and the general public.Details of investor complaints and the Compliance Officer are provided in this report.				
	Attendance of the members at the committee meetings				
	Name of the Committee member	Date of meetings			
		27.05.2024	08.08.2024	09.11.2024	10.02.2025
	S Narsing Rao	NA	NA	√	√
	Karipineni Venkata Sriram	√	√	√	√
	Kavita Prasad Aluru	√	√	√	√

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

Stakeholder Relationship Committee – Other details

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

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

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

Sl. No	Description	Opening balance as on April 01, 2024	Received					Resolved	Closing balance as on March 31, 2025
			Q1	Q2	Q3	Q4	Total		
1	Status of Applications for Public Issue	0	0	0	0	0	0	0	0
2	Non Receipt of Refund Order	0	0	0	0	0	0	0	0
3	Request for Annual Report	0	0	19	9	0	28	28	0
4	Non Receipt of Dividend Warrants	3	55	63	9	0	130	130	0
5	Non Receipt of Electronic Credits	0	0	0	0	0	0	0	0
6	Issue of duplicate shares	2	55	28	0	54	139	138	1
7	Others	0	0	0	0	0	0	0	0
	Total (i)	5	110	110	18	54	297	296	1
8	Complaints received from	0	0	0	0	0	0	0	0
a.	Securities and Exchange Board of India	0	1	0	0	0	1	1	0
b.	Stock Exchanges	0	0	0	0	0	0	0	0
c.	Ministry of Company Affairs	0	0	0	0	0	0	0	0
d.	Others	0	0	0	0	0	0	0	0
	Total (ii)	0	1	0	0	0	1	1	0
	Grand Total (i+ii)	5	111	110	18	54	298	297	1

Corporate Social Responsibility Committee

Composition and category	Name	Category
	Karipineni Venkata Sriram (Chairperson)	Non-Executive Independent Director
	MSS Srinath	Whole-time Director
	Richa Datta	Non-Executive Independent Director
	Kavita Prasad Aluru	Non-Executive Non-Independent Director
Major terms of reference	Committee is constituted in line with the provisions of Section 135 of the Act. <ul style="list-style-type: none"> Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act. Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy. Monitor the implementation of approved CSR activities. 	

**Corporate Social Responsibility Committee****Meetings and related details**

Two meetings of the CSR Committee were held during the year. The Committee recommended to the Board for approval of increase in CSR budget for the financial year. The Board accordingly approved the recommended enhancement in budget.

Attendance of the members at the committee meetings

Name of the committee member	Date of meetings	
	27.05.2024	09.11.2024
Karipineni Venkata Sriram (Chairperson)	√	√
MSS Srinath	NA	√
Richa Datta	√	√
Kavita Prasad Aluru	√	√

CA P Ganapathi Rao and Preeti Khandelwal have attended the Committee meetings held before October 01, 2024

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

Risk Management Committee**Composition and category****Name****Category**

S Narsing Rao (Chairperson)

Non-Executive Independent Director

MSS Srinath

Whole-time Director

Kavita Prasad Aluru

Non-Executive Non-Independent Director

Major terms of reference

Committee is constituted in line with the provisions of Regulation 21 of SEBI Listing Regulations.

- Review the Company's risk governance structure, risk assessment and risk management practices and guidelines, policies and procedures for risk assessment and risk management including the risk management plan.
- Monitor the Company's risk appetite and strategy relating to key risks.
- Oversee Company's process for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels.
- Review and analyze risk exposure related to specific issues, concentrations and limit excesses, and provide oversight of risk across organization.
- Review compliance with risk policies, monitor breaches / trigger trips of risk tolerance limits and direct action.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

Meetings and related details

Two meetings of the Committee held during the year under review.

The Committee shall act and have powers in accordance with the terms of reference specified in writing, by the Board, which shall include the following:

- Seek any information or explanation from any employee or Director of the Company.

Ask for any records or documents of the Company and have full access to Company information.

- Recommend engagement of independent consultants and advisors, including legal counsel or expert, as it deems appropriate. Secure attendance of outsiders with relevant expertise in Committee meetings, as the Committee considers necessary.
- Oversee the major risks of the subsidiaries.
- The committee shall coordinate with other committees to the extent that its work has a bearing on their scope of work.

Risk Management Committee			
Meetings and related details (contd.)	Attendance of the members at the committee meetings		
	Name of the committee member	Date of meetings	
		08.08.2024	10.02.2025
	S Narsing Rao (Chairperson)	-	√
	MSS Srinath	-	√
	Kavita Prasad Aluru	√	√
	CA P Ganapathi Rao and Preeti Khandelwal have attended the Committee meetings held before October 01, 2024		

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

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

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

V. General Meetings

(1) Shareholders meetings

(a) Annual General Meetings:

Financial Year	Date of meeting	Venue	Time
March, 2022	September 27, 2022	Meeting conducted through Video Conferencing ("VC")/ Other Audio Video Means ("OAVM") pursuant to the MCA and SEBI Circulars.	4.00 pm
March, 2023	September 28, 2023		
March, 2024	September 26, 2024		

(b) Extraordinary General Meeting: No extraordinary general meeting was held during the financial year 2024-25.

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

S. No.	Agenda item	Ascent / descent
01	Appointment of Mr. Narsing Rao Singayapally (DIN: 00800362) as Non-Executive Vice-Chairperson of the Company (Independent Director)	All special resolutions moved at the last years' AGM, were passed by means of electronic voting, by the requisite majority of votes.
02	Appointment of Mr. Mikkilineni Satyanarayana Subramanya Srinath (DIN 00319175) as an Executive Director – Promoter group	
03	Change in name of the Company from 'HBL Power Systems Limited' to 'HBL Engineering Limited	
04	Alteration in the Memorandum of Association and the Articles of Association of the Company	
05	Approval for making investments / extending loans and giving guarantees or providing securities in terms of Section 186 of the Companies Act, 2013	
06	Approval for loans, investments, guarantee or security u/s 185 of Companies Act, 2013	



- (2) Details of special resolution passed through postal ballot: No resolution was passed by postal ballot during the reporting period.
- (3) Disclosure pursuant to Clause 10(i) in Part C of Schedule V of the SEBI LODR: A certificate has been received from CS Vinay Babu Gade, Practicing Company Secretary, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- (4) Disclosure pursuant to Clause 10(k) in Part C of Schedule V of the SEBI LODR: (₹ in lakhs)

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

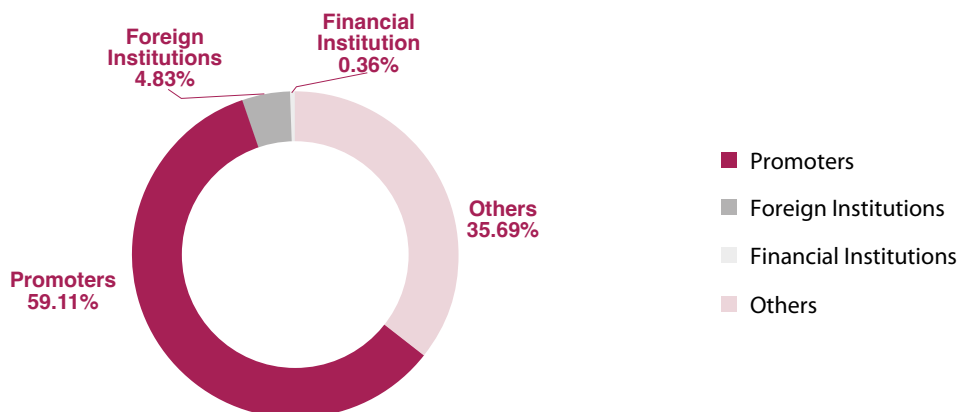
VI. Means of communication

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

VII. General shareholder information

1.	Forthcoming Annual General Meeting (Date and Time)	Thursday, September 25, 2025 at 3.30 PM The Ministry of Corporate Affairs and SEBI vide its relevant circulars, has permitted the holding of the Annual General Meeting through video-conferencing / other audio visual means ('VC / OAVM'), without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC / OAVM. (For details please refer to the Notice this AGM.) As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.
2.	Financial year and reporting	2024-2025
	First quarter ending 30.06.2024	August 08, 2024
	Half-year ending 30.09.2024	November 09, 2024
	Third quarter ending 31.12.2024	February 10, 2025
	Forth (31.03.2025) and annual audited results	Standalone and Consolidated : May 24, 2025
	Website where results displayed	https://hbl.in/Investors-Details.php
3.	Dates of book-closure and record date	Book-closure: 13.09.2025 to 25.09.2025 (both days inclusive) Record date: 12.09.2025
4.	Dividend recommended (subject to approval of shareholders at AGM)	Final Dividend: Recommended 100% on paid up equity share capital, subject to approval of members.

5.	Address for correspondence	<p>Registered office: 8-2-601, Rd. No.10, Banjara Hills, Hyderabad- 500 034 Contact person: Company Secretary Phone: 040-2335 5575, Fax: 040-2335 5048 E-Mail: contact@hbl.in; investor@hbl.in</p> <p>Secretarial office: Kubera Towers, Block A, Tirumalagiri, Hyderabad – 500 015, Telangana. Phone : +91 – 04 – 2779 1641.</p>
6.	Registrars for electronic transfer and physical transfer of shares	<p>KFin Technologies Limited (Unit: HBL Engineering Limited) Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500 032, Telangana Contact Person: B.Swati Reddy, Manager–Corporate Registry Phone nos. + 91-40-67161530 E-mail : einward.ris@kfintech.com</p>
7.	Manufacturing facilities	<ol style="list-style-type: none"> 1. Aliabad, Shameerpet, RR Dist., Telangana 2. Nandigoan, Kothur, Mahabubnagar Dist., Telangana 3. Kandivalasa, Posapatirega, Vizainagaram, Andhra Pradesh 4. VSEZ, Visakhapatnam, Andhra Pradesh 5. Thumkunta, Shameerpet, RR Dist, Telangana 6. Narsaraopeta, Guntur Dist., Andhra Pradesh
8.	Listing on Stock Exchanges	<p>BSE Limited (BSE)</p> <p>National Stock Exchange of India Limited (NSE)</p>
9.	Scrip Code	BSE: 517271 and NSE: HBLENGINE
	ISIN number	INE 292BO1021
	Corporate Identity Number (CIN)	L40109TG1986PLC006745
10.	Investors / Analyst Meets	<p>The Company calls or organizes meetings with investors/analysts on request. Post the quarterly results meeting is organized which provides a platform for the management to answer questions and provide clarifications to investors /analysts. The Company continues to communicate with all types of funds and investors in order to have diversified shareholders. Financial Results, Statutory Notices and Presentations made to the investors / analysts after the declaration of the results are submitted to NSE and BSE as well as uploaded on the Company's website : https://hbl.in/reports/investor-presentation.pdf</p>
11.	Dividend payment date	Within 30 days from the date of AGM, if approved by the shareholders.
12.	Electronic Communication	<p>During FY 2024-25 various communications, including Annual Reports were sent by email to those shareholders whose email addresses were registered with the Company/ Depositories. In support of the 'Green Initiative' the Company encourages members to register their email address with their Depository Participant or the Company, to receive soft copies of the Annual Report, Notices and other information disseminated by the Company.</p>

**VIII.Shareholding pattern as on March 31, 2025****Shareholding pattern as on March 31, 2025**

Category	March 31, 2025	%	March 31, 2024	%
Promoters & Promoters group	16,38,52,309	59.11	16,38,52,309	59.11
Foreign Institutional Investors	1,33,90,560	4.83	1,27,07,216	4.58
Financial Institution	10,11,290	0.36	18,27,660	0.66
Others	9,89,40,787	35.69	9,88,07,761	35.65
Total	27,71,94,946	100.00	27,71,94,946	100.00

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

Sl. No.	Category	No of Shareholders		% of Shareholders		No. of shares		% to total equity	
		March, 2025	March, 2024	March, 2025	March, 2024	March, 2025	March, 2024	March, 2025	March, 2024
1	1-5000	3,88,208	2,91,346	99.46	99.26	5,37,00,772	4,91,12,515	19.37	17.72
2	5001- 10000	1,064	1,088	0.27	0.37	77,88,193	80,59,179	2.81	2.91
3	10001- 20000	528	543	0.14	0.19	74,50,559	79,12,295	2.69	2.85
4	20001- 30000	172	184	0.04	0.06	42,58,226	46,16,581	1.54	1.67
5	30001- 40000	90	86	0.02	0.03	31,74,980	30,33,725	1.15	1.09
6	40001- 50000	38	58	0.01	0.02	17,53,658	26,80,893	0.63	0.97
7	50001- 100000	128	112	0.03	0.04	88,90,752	82,67,346	3.21	2.98
8	100001& Above	85	95	0.02	0.03	19,01,77,806	19,35,12,412	68.61	69.81
Total		3,90,313	2,93,512	100.00	100.00	27,71,94,946	27,71,94,946	100.00	100.00

X. Top ten shareholders as on March 31, 2025 (other than promoters / promoters group)

Sl. No.	Name of the shareholder - PAN based Shareholding	No. of Shares	% holding
1	Anant Jain	29,10,000	1.05
2	Vanguard Total International Stock Index Fund	16,25,240	0.59
3.	Vanguard Emerging Markets Stock Index Fund, A Seri	15,08,633	0.54
4.	Government Pension Fund Global	12,78,683	0.46
5.	Hitesh Narsinhbhai Patel	12,60,000	0.45
6.	Ishares Core MSCI Emerging Markets ETF	10,24,676	0.37

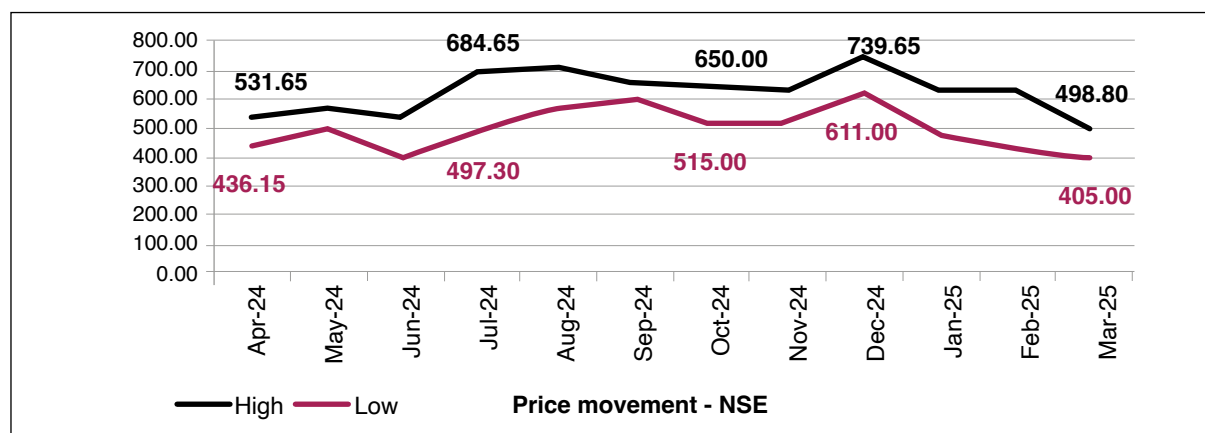
Sl. No.	Name of the shareholder - PAN based Shareholding	No. of Shares	% holding
7.	Investor Education And Protection Fund Authority	9,72,210	0.35
8.	Vanguard Fiduciary Trust Company Institutional TOT	8,64,474	0.31
9.	Emerging Markets Core Equity Portfolio (The Portfo	6,55,559	0.24
10.	Yachna Bhatia	6,46,155	0.23

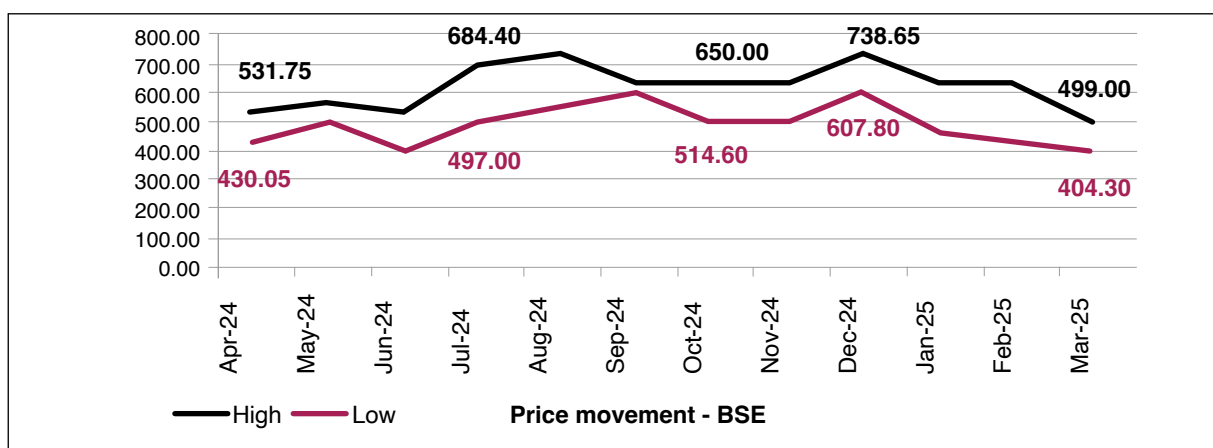
XI. Stock market data during 2024-25

- a. Monthly high and low stock price and number of equity shares traded during financial year 2024-25 on NSE and BSE:

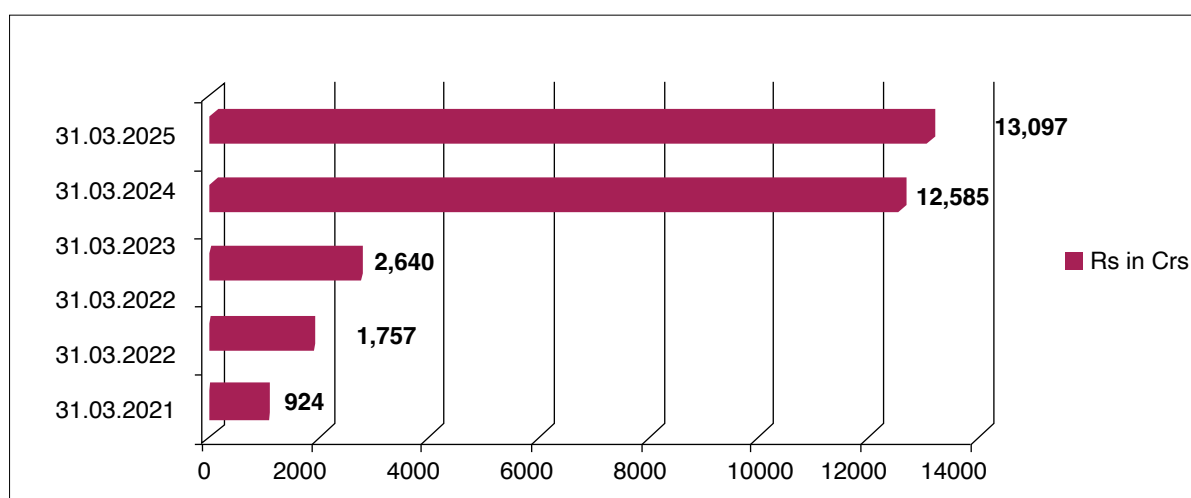
Month	National Stock Exchange			BSE Limited		
	Price		No. of shares traded	Price		No. of shares traded
	High	Low		High	Low	
Apr-24	531.65	436.15	2,56,75,328	531.75	430.05	27,18,205
May-24	560.80	491.20	3,05,97,608	561.15	490.40	29,72,548
Jun-24	532.55	411.25	2,85,59,926	533.60	411.05	25,83,466
Jul-24	684.65	497.30	8,22,89,920	684.40	497.00	86,71,619
Aug-24	724.00	561.45	5,85,96,776	723.80	550.00	42,07,452
Sep-24	647.85	592.50	2,60,81,870	647.40	593.70	16,82,943
Oct-24	650.00	515.00	2,76,74,804	650.00	514.60	20,23,801
Nov-24	641.85	514.05	2,64,21,244	642.20	514.35	20,54,452
Dec-24	739.65	611.00	8,05,43,974	738.65	607.80	45,85,708
Jan-25	641.95	473.10	3,44,46,519	641.95	473.00	28,67,273
Feb-25	623.60	430.00	5,64,04,798	623.80	430.00	41,62,589
Mar-25	498.80	405.00	5,09,28,292	499.00	404.30	35,53,033

- b. Share price movement during the financial year





c. Market capitalization:



XII. Payment of dividend

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

Dividend distributed to shareholders in previous ten years

Financial Year	Sales (in Crs)	Profit after tax (in Crs)	% of profit to sales	% of paid share capital	Dividend payout (in Crs)	% of profits paid as dividend
2014-2015	1,330	15	1.13	20	5.06	34
2015-2016	1,396	8	0.57	25	6.33	79
2016-2017	1,530	36	2.35	25	6.93	19
2017-2018	1,624	30	1.85	25	6.93	23
2018-2019	1,257	25	1.99	30	8.32	33
2019-2020	1,077	24	2.23	30	8.32	35
2020-2021	909	15	1.65	35	9.70	65
2021-2022	1,221	89	7.29	40	11.09	12
2022-2023	1,350	96	7.11	45	12.47	13
2023-2024	2,209	264	11.95	50	13.86	5

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

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

Further, shares in respect of the dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority except for the cases of shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

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

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

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

AGM/Board in which declared	Financial year	Date of declaration	Rate of dividend	Total dividend declared (₹)	Unclaimed dividend as on 31.03.2025 (₹)	Due for transfer to IEPF
32 nd	2017-18	27.09.2018	25%	6,92,98,737	5,48,231.00	03.11.2025
33 rd	2018-19	26.09.2019	30%	8,31,58,484	7,57,101.20	02.11.2026
Interim	2019-20	18.02.2020	20%	5,54,38,989	8,62,006.20	26.03.2027
34 th Final	2019-20	24.09.2020	10%	2,77,19,946	2,48,129.40	30.10.2027
35 th	2020-21	25.09.2021	35%	9,70,18,231.10	11,43,141.95	31.10.2028
36 th	2021-22	27.09.2022	40%	11,08,77,978.40	8,17,584.80	31.10.2029
37 th	2022-23	28.09.2023	45%	12,47,37,725.70	8,79,299.10	03.11.2030
38 th	2023-24	26.09.2024	50%	13,85,97,473	15,28,360.00	01.11.2031



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

XIV. Share transfer system

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

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

XV. Nomination

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

XVI. Dematerialization of shares and liquidity:

Depository	No of Share Holders		No of shares		% of Total Issued Capital	
	March, 2025	March, 2024	March, 2025	March, 2024	March, 2025	March, 2024
CDSL	3,03,232	2,23,277	5,08,53,224	4,67,33,344	18.35	16.86
NSDL	85,320	68,378	22,42,57,158	22,82,56,738	80.90	82.35
Physical	1,761	1,857	20,84,564	22,04,864	0.75	0.80
Total	3,90,313	2,93,512	27,71,94,946	27,71,94,946	100.00	100.00

The Company's shares are compulsorily traded in dematerialized form on NSE and BSE. Equity shares of the Company representing 99.25% of the Company's equity share capital are dematerialized as on March 31, 2025. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE 292BO1021.

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

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

XVII. Website

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

Name of Policy, Code or Charter	Brief Description	Web Link
Board Committees	The composition of various committees of the Board	https://hbl.in/reports/CompositionofCommittees.pdf
Code of Conduct	Represents the values and core principles that guide the conduct of every HBL business. The Code lays down the ethical standards that HBL colleagues need to observe in their professional lives.	https://hbl.in/reports/code_of_conduct_directors.pdf
Whistleblower Policy (Vigil Mechanism)	The Whistleblower policy has been formulated for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct.	https://hbl.in/reports/HBL-Policies.pdf
Policy on Related Party Transactions	The Company has in place a Policy on Related Party Transactions setting out: (a) the materiality thresholds for related parties; and (b) the manner of dealing with transactions between the Company and related parties, including omnibus approvals by Audit Committee based on the provisions of the Act and Regulation 23 of the SEBI Listing Regulations.	https://hbl.in/reports/HBL-Policies.pdf
Policy for determining Material Subsidiaries	This policy is determine material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide governance framework for them.	https://hbl.in/reports/HBL-Policies.pdf
Familiarization Programme	For IDs through various programmes/ presentations	https://hbl.in/reports/Familiarization-Programmefor-IndependentDirectors.pdf
Corporate Social Responsibility Policy	The policy outlines the Company's strategy to bring about a positive impact on society through programmes focusing on Health, Education, Employability and Environment interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting urban India.	https://hbl.in/reports/HBL-Policies.pdf
Policy on determination of Materiality for Disclosure of Event / Information	This policy pursuant to the Regulation 30 of the SEBI Listing Regulations applies to disclosures of material events affecting the Company and its subsidiaries. This policy is in addition to the Company's corporate policy.	https://hbl.in/reports/HBL-Policies.pdf
Dividend Distribution Policy	This policy pursuant to the Regulation 43A of the SEBI Listing Regulations outlines the financial parameters and factors that are to be considered whilst declaring dividend	https://hbl.in/reports/HBL-Policies.pdf
Policy on Prevention of Sexual Harassment at Workplace	This policy applies to all categories of employees of the Company, including permanent management and workmen, temporaries, trainees and employees on contract at their workplace or at client sites. The Company will not tolerate sexual harassment, if engaged in by clients or by suppliers or any other business associates.	https://hbl.in/reports/HBL-Policies.pdf



Name of Policy, Code or Charter	Brief Description	Web Link
Code for Prohibition of Insider Trading	Regulation 9 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended (hereinafter referred to as "PIT Regulations") requires inter alia every listed company and board of directors or heads of every intermediary shall ensure that the Chairman and Managing Director or the Whole Time Director to formulate a code of conduct with their approval to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons towards achieving compliance with these regulations and enforce a code of internal procedures and conduct based on the Model Code in accordance with the Regulations. Further, Regulation 7 of the PIT Regulations requires every promoter, member of the promoter group, key managerial personnel, directors and connected person of listed companies to disclose their shareholdings and changes to such shareholding to the respective companies.	https://hbl.in/reports/HBL-Policies.pdf
Policy for procedure of inquiry in case of leak of UPSI	Securities and Exchange Board of India ("SEBI"), vide its notification dated January 15, 2015, had issued SEBI (Prohibition of Insider Trading) Regulations, 2015 and further amended the same vide its notification dated July 17 2020, the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2020 ("collectively known as PIT Regulations"). As per Regulation 9A of the PIT Regulations, the Board of Directors ("Board") is required to formulate a written policy and procedure for inquiry in case of leak of Unpublished Price Sensitive Information ("UPSI") and initiate appropriate action on becoming aware of leak of UPSI and inform the Board promptly of such leaks, inquiries and results of such inquiries.	https://hbl.in/reports/HBL-Policies.pdf
Archival Policy for any Material Event / Information disclosed to the Stock Exchanges	This Policy is framed pursuant to Regulation 30 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations) as amended from time to time and in force for the time being. The purpose of this Policy is to archive any of the material events or information which was disclosed by the Company to the Stock Exchanges during the previous five years in terms of Regulation 30 of the Listing Regulations and placed on Company's website.	https://hbl.in/reports/HBL-Policies.pdf

XVII. Affirmations and Disclosures

a. Related Party Transactions

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

The Audit Committee of the Company grants omnibus approval for the Related Party Transactions (RPTs) which are of repetitive nature and / or entered in the Ordinary Course of Business and are at Arm's Length. All transactions entered into by the Company with the Related Parties as defined under the Act and Regulation 2(1)(zb) of the Listing Regulations during the financial year were on arm's length basis and were in compliance with the requirements of provisions of Section 188 of the Companies Act, 2013.

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

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

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

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

c. Vigil Mechanism / Whistle Blower Policy

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

d. A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

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

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

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

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

Necessary disclosure as on March 31, 2025 has been given in the Directors' Report.

g. Compliances with Governance Framework

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

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

Details are given the Standalone and Consolidated Financial Statements.

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

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

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

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

Aggregate Number of Shareholders and the Outstanding Shares in the suspense account lying at the beginning of the year	Number of shareholders who approached the Company for transfer of shares from suspense account during the year	Number of shareholders to whom shares were transferred from suspense account during the year	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares
1761 number of shareholders and 20,84,564 Equity Shares	NIL	NIL	1761 number of shareholders and 20,84,564 Equity Shares	20,84,564

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

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

XVIII. CMD and CFO certification

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

XIX. Compliance certificate

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

XX. Cautionary statement

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

Place: Hyderabad
Date: August 09, 2025

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

DECLARATION

As provided under Clause D of the Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Board Members and the Senior Management personnel have affirmed to the compliance with Code of Conduct for the year ended March 31, 2025.

Place: Hyderabad
Date: August 09, 2025

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

CEO AND CFO CERTIFICATION

We, Dr. Aluru Jagadish Prasad, Chairman and Managing Director and Sairam Edara, Chief Financial Officer, responsible for the financial functions certify that:

- A. we have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with Ind AS existing accounting standards, applicable laws and regulations.
- B. There are to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. we accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and they have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
 - (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Place: Hyderabad
Date: August 09, 2025

Dr A J Prasad
Chairman and Managing Director

Sairam Edara
Chief Financial Officer



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

To
The Members of
M/s HBL Engineering Limited
(formerly HBL Power Systems Limited)
Hyderabad

I have examined all applicable records of M/s HBL Engineering Limited (formerly HBL Power Systems Limited), Hyderabad for the purpose of certifying compliance of the conditions of Corporate Governance pursuant to Part C of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Regulation 34(3) of the Listing Regulations for the financial year ended March 31, 2025. I have obtained all the information and explanations, which to the best of my knowledge and belief were necessary for the purpose of certification.

The compliance of the regulations of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the regulations of Corporate Governance. This Certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and representation made by the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, for the financial year ended March 31, 2025.

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

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

Place: Hyderabad
Date: August 09, 2025

Vinay Babu Gade
Company Secretary in Practice
MS No. A20592; CP No.20707
UDIN: A020592G000971003
PR No: 3047/2023

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN) of the Listed Entity	L40109TG1986PLC006745
2	Name of the Listed Entity	HBL Engineering Limited (Formerly HBL Power Systems Limited)
3	Year of incorporation	1986
4	Registered office address	No. 8-2-601, Road No.10, Banjara Hills, Hyderabad-500034, Telangana, India.
5	Corporate address	8-2-616, Road No.11, Banjara Hills, Hyderabad - 500034
6	E-mail	contact@hbl.in ; investor@hbl.in
7	Telephone	Tel - 04023355575
8	Website	https://hbl.in/
9	Financial year for which reporting is being done	FY 2024-25
10	Name of the Stock Exchange(s) where shares are listed	National Stock Exchange of India Limited (NSE), BSE Limited (BSE)
11	Paid-up Capital	₹27,71,94,946
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Sairam Edara, Chief Financial Officer, Email – sairam.e@hbl.in , Telephone - 04066167777
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosures made in this report are on a standalone basis for HBL Engineering Limited (formerly HBL Power Systems Limited).
14	Name of assurance provider	Not Applicable
15	Type of assurance obtained	Not Applicable

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing - Battery	Manufacturing of Batteries for Industrial & Defense applications	71.04 %
2	Manufacturing - Electronic	Manufacturing of Electronic equipment for Railway and Industrial Applications	28.96%



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

S. No.	Product/Service	NIC Code	% of Total Turnover Contributed
1	Lead Acid Batteries	27201	71.04 %
	Nickel cadmium Batteries		
	Defense Batteries		
2	Chargers	28299	28.96%
	Railway Electronics		
	TMS/TCAS (KAVACH)		

III. Operations

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

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

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	36 (19 States)
International (No. of Countries)	59

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

23.15%

c. A brief on types of customers

HBL Engineering Limited (formerly HBL Power Systems Limited) offers comprehensive battery and engineering solutions to diverse clients, including prominent system integrators, as well as entities within the railway, aviation, and defense sectors worldwide. The Company's segments include Industrial batteries, Defense and Aviation batteries, and Electronics. The Company operates its business under three primary verticals: battery, electronics and Defense. Its electronics vertical is sub-divided into Railway electronics and electric mobility. Its flagship products in this vertical are the KAVACH (Train Collision Avoidance System), which addresses the issue of safety, and Train Management System (TMS).

HBL provides battery and engineering solutions and services to the world's leading system integrators, railway, aviation and defense companies. We also enjoy long term relationships with Government customers in India including the Indian Airforce, Indian Navy and MOD labs. HBL has enjoyed a long-term strategic relationship with Indian Railways where we have gained certification to deploy safety critical systems.

HBL takes pride in serving customers in over 50+ countries with products and services tailored to meet their demanding needs. HBL utilizes the depth of our engineering capabilities to provide the most resilient, compliant products expected by customers to run their business efficiently.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently-abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	2152	1989	92.43%	163	7.57%
2.	Other than Permanent (E)	No Non-Permanent Employees are employed by the Company				
3.	Total employees (D + E)	2152	1989	92.43%	163	7.57%
WORKERS						
4.	Permanent (F)	No Permanent Workers are employed by the Company				
5.	Other than Permanent (G)	5160	4164	80.70%	996	19.30%
6.	Total workers (F + G)	5160	4164	80.70%	996	19.30%

b. Differently-abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	9	7	77.78%	2	22.22%
2.	Other than Permanent (E)	No Non-Permanent Employees are employed by the Company				
3.	Total differently abled employees (D + E)	9	7	77.78%	2	22.22%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	No Permanent Workers are employed by the Company				
5.	Other than permanent (G)	32	24	75%	8	25%
6.	Total differently abled workers (F + G)	32	24	75%	8	25%

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	4	50%
Key Management Personnel	2	-	-

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

	FY 2024-25 (Turnover rate)			FY 2023-24 (Turnover rate)			FY 2022-23 (Turnover rate)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	12.93%	15.22%	13.08%	13.41%	24.64%	14.07%	15.04%	32.12%	16.02%
Permanent Workers	Not Applicable								

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary / associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	HBL America Inc, USA	A wholly owned Company	100%	No
2	HBL Germany, GmbH	A wholly owned Company	100%	No
3	Torquedrive Technologies Private Limited	A wholly owned Company	100%	No
4	TTL Electric Fuel Private Limited	A subsidiary company	60%	No
5	Naval Systems and Technologies Private Limited	Associate Company and Kavita Prasad Aluru and MSS Srinath are Directors. HBL holds 41% shares in the Company.	41%	No
6	Tonbo Imaging India Private Limited	Associate Company	11.13%	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover - ₹1,94,613.25 Lakhs

(iii) Net worth - ₹1,45,832.39 Lakhs

VII. Transparency and Disclosures Compliances

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

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2024-25			FY 2023-24		
		Number of complaints filed during the year	Number of complaints resolved during the year	Remarks	Number of complaints filed during the year	Number of complaints resolved during the year	Remarks
Communities	Yes (https://hbl.in/reports/HBL-Policies.pdf)	NIL	NIL	-	NIL	NIL	-
Investors (other than shareholders)	Yes (https://hbl.in/reports/HBL-Policies.pdf)	NIL	NIL	-	NIL	NIL	-
Shareholders	Yes (https://hbl.in/reports/HBL-Policies.pdf)	NIL	NIL	-	NIL	NIL	-
Employees and workers	Yes (Internal policy)	NIL	NIL	-	NIL	NIL	-
Customers	Yes (https://hbl.in/reports/HBL-Policies.pdf)	7*	0	-	7	0	-
Value Chain Partners	Yes (Internal Policy)	NIL	NIL	-	NIL	NIL	-
Other (please specify)	-	NIL	NIL	-	NIL	NIL	-

* Customer complaints lodged with State Consumer forums

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

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

S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy Management	Risk and Opportunity	<p>Risk: Purchased electricity is a major share of the energy sources used in the industry and accounts for a notable proportion of the total cost of materials and value added. This also contributes to indirect GHG emissions.</p> <p>Opportunity: Effective energy management allows HBL to optimize resources, cut costs, and minimize environmental impact. By investing in renewable technologies and energy-efficient measures, HBL can boost sustainability and drive innovation.</p>	<p>HBL aims to strategically mitigate climate change risks and leverage opportunities by implementing sustainable practices and reducing greenhouse gas emissions.</p> <ol style="list-style-type: none"> 1. Energy conservation in factories by the installation of energy-efficient technology, machines and equipment. 2. Renewable energy generation through Biomass/Solar. 3. The organization is focused on energy management and environmental responsibility through ISO 14001:2015 periodical audits, and it plans to become certified to ISO 50001:2018 in future to strengthen control over energy conservation. 	Positive/Negative
2	Water Management	Opportunity	<p>Opportunity: Reducing reliance on fresh water is achieved by the application of water conservation strategies, such as recycling and reusing treated wastewater in utilities and through reducing discharge through ZLD mechanism</p>	Implementing Zero Liquid Discharge (ZLD) systems helps eliminate wastewater discharge, conserve water resources, and reduce environmental impact, thereby enhancing the Company's sustainability efforts.	Positive
3	Waste management	Risk and Opportunity	<p>Risk:</p> <ol style="list-style-type: none"> 1. Reduced battery materials recovery rates will increase the effects of fuel cells and batteries on the environment. 2. Batteries and fuel cells contains potentially dangerous materials that should be disposed of appropriately since they could endanger human health and the environment. 	<ol style="list-style-type: none"> 1. Innovation integrated in manufacturing for effective design for disassembly, reuse, or recycling. 2. HBL is certified by CPCB for Extended Producer Responsibility (EPR). 3. HBL engaged authorized third-party recycler for effective disposal of hazardous waste. 	Positive/Negative



S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Waste management	Risk and Opportunity (contd.)	Opportunity: <ol style="list-style-type: none"> 1. Recycling and reusing waste to create products with added value increases revenue and lowers waste disposal expenses and increases the circular economy 		
4	Occupational Health & Safety	Risk	<ol style="list-style-type: none"> 1. Potential risks associated with physical hazards such as machinery accidents, electrical shocks and chemical hazards due to the handling of solvents, lubricants, and battery chemicals. 2. Non-adherence to safety standards could result in legal consequence 	<ol style="list-style-type: none"> 1. Strict adherence to safety standards such as ISO 14001:2015 and ISO 45001:2018. 2. Comprehensive employee training on hazards, safe practices, emergency procedures, and PPE use. 3. Clear safety policies communicated to all staff and contractors. 4. Tested emergency response plans for fires, spills, and medical incidents. 5. Regular audits to ensure safety compliance and address improvements promptly. 	Negative
5	Diversity, Equality & Inclusion	Opportunity	Embracing diversity, inclusion, and equal opportunities enhances company performance by leveraging diverse knowledge, perspectives, and ideas. This fosters innovation, enhances talent attraction, improves retention and adheres to legal and ethical compliances in the workplace.	-	Positive

S. No.	Material issues identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Community engagement	Opportunity	Investing in community development programs presents an opportunity to create shared value for both the company and the communities where it operates. By aligning CSR programs with community needs, the company can preemptively manage risks by addressing community concerns promptly. Additionally, this approach fosters a long-term, mutually beneficial relationship and enhances the company's social standing.	-	Positive
7	Data privacy and cyber security	Risk	Risk: The company recognizes the fact that it deals with mostly government clients and any data privacy and cyber security breach or leak can have significant reputational, legal and financial risk to the company	<ol style="list-style-type: none"> 1. All privileged system access are reviewed periodically and Data Leakage Prevention (DLP) system are implemented at all critical equipment and touch points 2. Restricted data access control & VPN access for work from home activities have been strictly implemented 	Negative
8	Product safety and quality	Risk	Risk: As an approved supplier for both the Indian Defense and Railways, our products need to adhere to stringent quality protocols prescribed by our customers	<ol style="list-style-type: none"> 1. The Company is investing in critical and high-cost testing equipment to ensure we meet international testing standards, to meet the stringent quality standards of our clients. 2. The Company maintains state-of-the art quality infrastructure and also utilizes third party partner agencies to test its products 	Negative
9	Compliance	Risk	Risk: Being compliant with the laws of the land is vital for us, to ensure that we adhere to laws and regulations, avoiding from legal penalties and reputational damage	The Company has devised proper systems to ensure compliance with applicable Human rights, Environmental and safety laws and regulations	Negative

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

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

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

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

*. HBL Code of conduct

#. Quality systems –

- Shamirpet campus is NABL accredited laboratory in India (as per ISO 17025) with the facility and capability of testing all the applicable tests of IEC 60623: 2017, IEC 62259: 2003, IEC 60896:2004 and IEC 61427:2013, IATF 16949:2016.
- ISO 9001-2015, ISO14001-2015, ISO 45001-2018, and ISO 22163-2017 – IRIS- Rev 3 (Railway business) and AS 9100D (Aviation, Space and Defense Organizations).
- HBL's Kavach (Train Collision Avoidance System-TCAS) is certified for SIL4 by ItalCertiFer, a European safety assessment agency, empaneled by RDSO in India.
- HBLs Train Management System (TMS) is certified for SIL2 by Bureau Veritas Spain.

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

Governance, leadership and oversight

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

As we navigate the complexities of our industry, it is increasingly evident that sustainability is not merely an option but a necessity. The health of our planet is closely intertwined with the success of our business, and we are committed to reducing our environmental impact. From lowering our carbon footprint to conserving natural resources, we are continually exploring innovative methods to enhance our sustainability practices.

Sustainability extends beyond environmental protection; it is about building a better future for everyone. We are committed to being responsible stewards of the communities where we operate, supporting local economies, and fostering social equity and inclusion.

Our company has made significant strides in integrating sustainability into our corporate framework. We have established an ESG (Environmental, Social, and Governance) Committee dedicated to setting our ESG objectives and continuously monitoring our progress. This committee plays a crucial role in ensuring that sustainability is a central element of our strategic planning and decision-making processes.

In our efforts to reduce our ecological footprint, renewable energy adoption has become a key pillar of our strategy. We have invested in solar power infrastructure and biomass-based energy solutions to reduce our dependence on fossil fuels. These initiatives have not only helped us lower our greenhouse gas emissions but also improved our energy efficiency across operations.

Environmental improvements have been achieved through the implementation of Zero Liquid Discharge (ZLD) systems, advanced waste recycling mechanisms, and the use of eco-friendly materials. Our focus on the circular economy has led to increased reuse and recycling of critical materials, including plastics, metals, and battery components.

We are also deeply committed to Corporate Social Responsibility (CSR). Our CSR programs focus on early childhood education, nutrition, healthcare, and rural development.

While I am proud of the progress we have achieved, I acknowledge that this is the start of a long journey towards integrating sustainable development in our organization and value chain. Together we strive to create a world where both people and the planet can thrive, now and for generations to come.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). Sairam Edara, Chief Financial Officer,
Email – sairam.e@hbl.in ,
Telephone - 04066167777
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. The CFO, as stated above, oversees the decision making on sustainability related issues.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action										Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances										Annually								

11. **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**
- | | | | | | | | | |
|----|----|----|----|----|----|----|----|----|
| P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|----|----|----|----|----|----|----|----|----|
- Yes. The Policies on Quality, Safety, Health and Environment are subject to internal and external audits as part of the ISO Systems certification process and ongoing periodic assessments. Other policies are periodically evaluated for their efficacy through Internal Audit mechanism.

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

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

Not applicable as all principles are covered by respective policies.

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

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

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

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

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by awareness programmes
Board of Directors	2	Regulatory compliance	100%
Key Managerial Personnel	2	Regulatory compliance	100%
Employees other than BoD and KMPs	81	TCAS - 2 Modules, TMS-2 modules, EDT, Health Awareness, Tax Saving Awareness and Cyber Crime Awareness	24%
Workers	57	TCAS - 2 Modules, TMS-2 modules, Health Awareness and Cyber Crime Awareness	13%

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

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

Monetary					
	NGRBC Principle	Name of the regulatory / Enforcement agencies / judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine			NIL		
Settlement					
Compounding fee					

Non-Monetary				
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment				

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

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

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

HBL is unwavering in its commitment to integrity and ethical conduct across all operations. Our Anti-Corruption and Anti-Bribery Policy sets forth stringent measures to combat any form of corruption or bribery, applicable to employees, subsidiaries, joint ventures, and associates, regardless of their position or location. We expect every individual within the organization to exemplify the highest standards of honesty in their professional responsibilities. Our facilities strictly adhere to a comprehensive framework of anti-corruption and anti-bribery laws and regulations.

Prior to engaging in any business relationship, we ensure that agents, suppliers, contractors, and business partners are fully aware of our zero-tolerance policy towards bribery and corruption. This steadfast commitment to ethical practices is fundamental to our business operations.

Anti-Corruption and Anti-Bribery Policy: [HBL Policies](#).

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

	FY 2024-25	FY 2023-24
Directors	NIL	
KMPs		
Employees		
Workers		

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

	FY 2024-25		FY 2023-24	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL			
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL			

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

None

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

	FY 2024-25	FY 2023-24
Number of days accounts payables	44	38



9. Open-ness of business

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

Parameter	Metrics	FY 2024-25	FY 2023-24
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	NA	NA
	b. Number of trading houses where purchases are made from	NA	NA
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	NA	NA
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	6.1%	4.12%
	b. Number of dealers / distributors to whom sales are made	94	70
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	59%	59.34%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	0.005%	3.37%
	b. Sales (Sales to related parties / Total Sales)	5.40%	6.46%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0.90%	1.32%
	d. Investments (Investments in related parties / Total Investments made)	50.76%	99.99%

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

Essential Indicators

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

S. No.	FY 2024-25	FY 2023-24	Details of improvements in environmental and social impacts
1	R&D	-	
2	CAPEX		The Company reviews its current processes regularly and makes process improvements in areas like energy efficiency, waste management and circular economy, water recycling and pollution control measures through dedicated. The Company has invested nearly ₹2 crores, approximately 1.26 % of the total Capex, for establishing solar plant in one of its location.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)
 - If yes, what percentage of inputs were sourced sustainably?
Yes, the entity has established a supplier sustainability process to guide the selection of vendors. This process incorporates various principles and guidelines, including safety, health, environmental policies, legal compliance, and adherence to ISO certification standards. Approximately 30% of our inputs were sourced sustainably.
- Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

(a) Plastics (including packaging)

1. Plastic Waste Management:

- Internal Scrap:** Plastic waste generated during manufacturing processes is classified and collected.
- Customer Returns:** Plastic materials, such as those from used or expired batteries returned by customers under a buyback policy, are also collected.

- **Reprocessing:** This plastic waste is reprocessed according to standard operating procedures (SOPs) and used as raw material for manufacturing new plastic containers.
- **Non-reusable Plastics:** Any plastic waste that cannot be reused is washed and disposed of through authorized dealers.

(b) E-waste

1. **Safe Disposal:** All electronic waste generated is systematically handed over to certified vendors. These vendors are responsible for ensuring the e-waste is disposed of safely and in compliance with environmental regulations.

(c) Hazardous Waste

1. **Categorization and Disposal:** Hazardous waste is meticulously categorized following regulatory guidelines and dispatched to authorized recyclers approved by the Pollution Control Board (PCB).
2. **Recycling Facility:** HBL operates an internal recycling facility, sanctioned by the PCB, which focuses on recycling Nickel Cadmium, Lead Acid, and Silver Zinc batteries.

(d) Other Waste

1. Non-hazardous Waste:

- This category includes materials such as paper, food waste, packaging materials, and wooden waste.
- These materials are disposed of through recycling channels, and some are repurposed for alternative uses, such as cattle feeding.

Additional Processes for Specific Materials:

1. Batteries:

- There is a procedure in place to reclaim life-expired batteries from customer sites, ensuring safe disposal in accordance with relevant laws and policies.
- **Recycling:** End of life cycle products are being disposed off to the authorised recyclers.
- **Electrolyte Recycling:** KOH (electrolyte) is recycled at the HBL chemical plant.

2. Metal and Other Materials:

- **MS Scrap:** Disposed through authorized dealers.
- **Nickel & Cadmium Recycling:** Nickel and Cadmium hydroxide are recycled back into nickel and cadmium.
- **Graphite Sludge:** Sent to authorized recyclers.

These processes demonstrate a comprehensive approach to managing various types of waste, emphasizing recycling and compliance with regulatory standards to minimize environmental impact.

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

Yes, EPR is applicable from FY 2023-24 and our waste collection plan is in line with the Extended Producer Responsibility regulations.



Leadership Indicators

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

Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Lead Acid Batteries	40.26%	Cradle to Gate	Yes	No
Nickel Cadmium Pocket Plate Battery	30.75%	Cradle to Gate (Rated capacity)	Yes	No

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

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

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

Indicate input material	Recycled or re-used input material to total material	
	FY 2024-25	FY 2023-24
Lead (SMB)	1.32%	5.44%
Cadmium Hydroxide	0	25.2%
Nickel Hydroxide	0.25%	36.8%
Silver	~*	25%
Recycled Lead	2.24%	20%
Recycled Plastic	0.84%	10%

*Silver - Life expired batteries received from government organizations is not considered for the FY

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

	FY 2024-25			FY 2023-24		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	2.26	-	52	-	115.48	35.98
E-waste	-	-	1.55	-	-	-
Hazardous waste	-	73.65	419	-	1446.56	9.39
Other waste	98	65.73	94.87	1304	27.44	190.80

End of lifecycle products are being directly disposed of to authorized recyclers

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

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Plastic	NA*
Hazardous	
KoH (Electrolyte)	
Others	

*End of lifecycle products are being directly disposed of to the authorized recyclers

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

Essential Indicators

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

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	1989	1989	100%	1989	100%	NA	NA	NA		NA	
Female	163	163	100%	163	100%	163	100%				
Total	2152	2152	100%	2152	100%	163	100%				
Other than Permanent employees											
Male	Not Applicable										
Female											
Total											

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

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



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

	FY 2024-25	FY 2023-24
Cost incurred on wellbeing measures as a % of total revenue of the company	0.70%	0.24%

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

Benefits	FY 2024-25			FY 2023-24		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	-	Y	100%	-	Y
Gratuity	100%	-	N.A	100%	-	N.A
ESI	-	100%	Y	-	100%	Y
Others - please specify	-	-	N.A	-	-	N.A

3. Accessibility of workplaces

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

The Company has taken substantial measures to enhance accessibility for differently abled employees at all its locations, in accordance with the Rights of Persons with Disabilities Act, 2016. Our offices and premises are equipped with features such as ramps, lifts, and handrails on stairwells to ensure ease of movement for individuals with disabilities. Consequently, the Company's facilities are now fully compliant with accessibility requirements, providing an inclusive and supportive environment for all employees.

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

Yes, HBL is dedicated to fostering an inclusive workplace by providing equal employment opportunities for all individuals, in line with the Rights of Persons with Disabilities Act, 2016. We uphold a strict non-discrimination policy that covers age, color, disability, marital status, nationality, race, religion, sex, and sexual orientation, ensuring that employment decisions are made solely based on qualifications, merit, and adherence to relevant regulations.

Our commitment to diversity and inclusion is reflected in our supportive workplace culture, empowering employees to thrive irrespective of their background or personal circumstances. By embracing diversity, HBL not only complies with legal standards but also enriches its organizational culture, promoting innovation and collaboration among a diverse workforce.

The policy is available at [HBL Policies](#).

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	Not applicable	Not applicable	Not Applicable - No Permanent Workers are employed by the Company	
Female				
Total				

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

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

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

Category	FY 2024-25			FY 2023-24		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	No such associations/unions are recognized.					
Male						
Female						
Total Permanent Workers						
Male						
Female						

8. Details of training given to employees and workers:

Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	1,989	1593	80.10%	1598	80.34%	1764	901	51.07%	848	48.07%
Female	163	102	62.58%	139	85.28%	111	63	56.75%	63	56.75%
Total	2152	1695	78.76%	1737	80.72%	1875	964	51.41%	911	48.58%



Category	FY 2024-25					FY 2023-24				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Workers										
Male	4164	3489	83.79%	3489	83.79%	3789	2877	75.93%	1375	36.29%
Female	996	812	81.53%	812	81.53%	1038	696	67.05%	232	22.35%
Total	5160	4301	83.35%	4301	83.35%	4827	3573	74.02%	1607	33.29%

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

Category	FY 2024-25			FY 2023-24		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	1989	1480	74.41%	1764	1375	77.95%
Female	163	101	61.96%	111	84	75.68%
Total	2152	1581	73.47%	1875	1459	77.81%
Workers						
Male	NA*					
Female						
Total						

*Not under the purview of the company

10. Health and safety management system:

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

Yes, the company has successfully implemented the ISO 45001:2018 Occupational Health and Safety Management System (OHSMS) across our plants. This system covers all employees and workers from all divisions, underscoring our commitment to safeguarding and enhancing the health and safety of our workforce. Workplace safety is integral to our sustainability strategy and forms the cornerstone of our commitment to employee well-being.

To ensure the safety of all personnel, we have established comprehensive and compliant protocols across our operations and support functions. This includes:

1. Hazard Identification, Risk Assessment, and Risk Control (HIRARC).
2. Emergency Plans and Mock Drills.
3. Fire Fighting Measures.
4. Safety Induction Training.
5. Regular Safety Committee Meetings.
6. Safety Audits.
7. Work Permits.
8. Adherence to Material Safety Data Sheets (MSDS) for Chemical Handling.
9. Health Checkups for Employees in Hazardous Areas.

10. Incident Reporting and Investigation.

11. First Aid Training.

Our proactive approach has enhanced our ability to address regulatory compliance issues while simultaneously reducing the overall costs associated with incidents. By minimizing downtime and disruptions to operations, we have effectively mitigated risks and optimized operational efficiency.

The company's adherence to international benchmarks, as recognized through ISO 45001 certification, not only enhances our reputation but also resonates positively with customers who prioritize social responsibility. This achievement underscores our commitment to excellence in occupational health and safety and reflects our dedication to maintaining a safe and healthy work environment for all employees.

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

Our facilities maintain clear Standard Operating Procedures (SOPs) and operational controls to ensure safety. Non-routine activities require permits, with risks identified and mitigated accordingly. An emergency plan is regularly tested, and employees receive continuous training. Frequent mock drills are conducted to ensure the preparedness of emergency controllers for effective handling of emergencies.

To systematically identify work-related hazards and evaluate risks, we deploy the Hazard Identification, Risk Assessment, and Risk Control (HIRARC) process for both routine and non-routine occasions. HBL has developed a documented and consistently implemented HIRARC methodology that is tailored to our scale, nature, and dimensions. This methodology meets our needs concerning detail, intricacy, timing, cost, and access to reliable data.

HIRARC assessments are conducted biannually as per the plan and for all routine and non-routine activities as they arise. The HIRARC team is responsible for conducting assessments across all activities, and results are documented in the prescribed format.

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

Yes, we have established comprehensive processes for workers to report work-related hazards and remove themselves from such risks. Employees are required to report all incidents and hazards to their Immediate Supervisor. If the Supervisor is unavailable, reports should be made to the Manager, Safety Officer, or Security. An Incident Report and Investigation Form must be completed and signed by both the employee involved and their manager.

In cases where an employee witnesses an incident, they must promptly inform Security through the campus emergency line for emergencies or the non-emergency line for other incidents. Corrective actions are implemented immediately based on identified hazards or incidents, and their effectiveness is reviewed to ensure risk mitigation.

Additionally, we have procedures in place to inform workers of work-related hazards, encouraging them to remove themselves from such risks by implementing risk mitigation action plans. Our process includes near-miss reporting, and all incidents are reviewed during Safety Committee meetings to ensure thorough oversight and continuous improvement in workplace safety.



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

Yes, HBL is committed to fostering an environment that prioritizes employee well-being beyond their salaries. All employees receive a comprehensive range of health and wellness benefits, including medical insurance and accident coverage for themselves and their immediate family, ensuring financial support in cases of accidents or serious illnesses. Coverage is also extended to dependent parents, alongside periodic health check-ups, wellness programs, and access to nutritious and subsidized food options.

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

Safety Incident/Number	Category*	FY 2024-25	FY 2023-24
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	1.22	14.07
Total recordable work-related injuries	Employees	3	2
	Workers	19	22
No. of fatalities	Employees	NIL	NIL
	Workers	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL

*Including the contract workforce

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

HBL places great value on its employees, recognizing them as its most crucial asset, and prioritizes their health and wellbeing. With a significant portion of our workforce in manufacturing facilities, the company has implemented comprehensive compliance measures to ensure workplace safety and a secure working environment. Key measures include:

- **Safety Policy and Measures:** HBL has established a comprehensive safety policy that includes risk mitigation strategies, competence assurance, and adherence to safety protocols, particularly concerning Material Safety Data Sheets (MSDS) for chemical handling. Regular toolbox talks and strict compliance with Lock Out Tag Out (LOTO) procedures are emphasized to maintain safety standards.
- **Hazard Identification, Risk Assessment, and Risk Control (HIRARC):** A robust communication system/policy for HIRARC is in place, complemented by insurance systems, first aid provisions, and thorough employee training programs. Safety audits, inspections, effective contractor control, and risk assessments are integral to our safety measures.
- **Compliance with Health and Safety Standards:** The company ensures compliance with all statutory preventive healthcare and occupational health and safety requirements. Proactive hazard identification and the determination of controls are central to maintaining a safe working environment. Risks and opportunities related to the Occupational Health and Safety (OH&S) management system's intended outcomes are regularly identified and addressed.
- **Employee Training and Safety Orientation:** Comprehensive safety training is provided during employee induction, covering topics such as hazardous material handling, confined space entry, and emergency response procedures. Refresher training, mock drills, and on-site emergency training are conducted to prepare employees for contingent or urgent situations. On-the-job training inclusive of safety topics further reinforces safety awareness among employees.

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

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

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL					
Health & Safety						

14. Assessment of the Year

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

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

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

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

1. Safety guard provided at Rolling mill, such that not to trap the hand and avoid the accident at NCSP.
2. Identification of hazards and risk assessment for both routine and non-routine activities have been incorporated into the Internal Audit Checklist.
3. Training has been provided to the Thermal Business Division (TBD) on the identification of hazards and conducting risk assessments to ensure competency in this area.
4. Comprehensive training has been provided to all Nickel Cadmium Fibre Plate teams (NCFP) on emergency preparedness and response procedures and specific focus has been given on how to display emergency exit boards effectively to ensure readiness in case of emergencies.

Leadership Indicators

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

No, however the company provides medical and accident insurance for employees and workers. Additionally, workers are covered under the Employees' State Insurance (ESI) scheme.

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

The Company prioritizes the proper deduction and deposit of statutory dues by its value chain partners. These obligations are clearly defined in the HBL Supplier Code of Conduct, which acts as a guiding framework for all partners within the supply chain. Compliance with this code is mandatory for all supply



chain partners, reflecting the Company's commitment to maintaining business responsibility, transparency, and accountability. Reviewed monthly.

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

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Employees			NIL	
Workers			NIL	

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

Yes, HBL provides transition assistance programs to support employees in managing career endings due to retirement or termination. The company is committed to fostering an environment that encourages personal growth and future planning. Employees who are terminated before reaching their customary retirement age are eligible for termination benefits, reflecting HBL's dedication to supporting its workforce through career transitions.

- Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Currently, HBL does not possess a formal assessment mechanism dedicated to monitoring the environmental impact of value chain partners' activities. HBL's Supplier Code requires all suppliers and value chain partners to comply with local socio-environmental regulations. This framework ensures alignment with HBL's ESG commitment. This approach underscores our dedication to responsible environmental practices and sustainability across our value chain.
Working Conditions	

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

The Company collaborates with a diverse range of partners and suppliers to ensure the delivery of high-quality products and services to its customers. By conducting stringent audits and reviewing corrective actions, the Company maintains strict compliance with all relevant standards and requirements. No corrective action plan has been necessitated on the above-mentioned parameters.

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

Essential Indicators

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

At HBL, the identification of key stakeholder groups is based on their significant influence on the company and the impact of the company's actions and outcomes on them. The primary stakeholders include:

- Employees:** Central to organizational performance and culture, they drive innovation and execution of company strategies.
- Investors/Shareholders:** Provide financial support essential for strategic growth and development.
- Customers:** Drive business success through demand for products and services, influencing market

strategies and innovation.

- **Suppliers and Service Providers:** Essential for maintaining operational efficiency and ensuring product and service quality.
- **Business Partners:** Collaborate to enhance capabilities, expand reach, and ensure mutual growth and success.
- **Government and Regulatory Bodies:** Ensure compliance with laws and regulations, influencing operational policies and strategic direction.
- **Communities:** Engage with the company on social responsibility initiatives, impacting community development and sustainability efforts.

By identifying and engaging with these stakeholder groups, HBL Engineering aims to foster effective collaboration and build mutually beneficial relationships that support long-term success and sustainability.

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

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half Yearly/ Quarterly / Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> • Meetings, workshops, e-mails & reports, online portals, employee surveys, Idea management. • One-on-one interactions • Employee involvement in CSR activities. 	Intranet Quarterly Emails - As and when required	<ul style="list-style-type: none"> • Employee engagement activities. • Training, awareness • Welfare programmes
Investors	No	<ul style="list-style-type: none"> • Annual report, sustainability report, press releases • Corporate website Quarterly & Annual results 	Annual and as need based	<ul style="list-style-type: none"> • Company Performance • Share price appreciation, dividends
Customers	No	<ul style="list-style-type: none"> • Discussions, personal visits, publications, mass media & digital communications, plant visits. • Support programmes, social media, • Conferences and events 	Periodically	<ul style="list-style-type: none"> • Safe/Responsible Handling of Products. • Safe Disposal of used products. • Update on improved and efficient products • Compliances with laws and regulations • Product quality and availability • Aftersales service



Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/Half Yearly/ Quarterly / Others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Suppliers & service providers	No	<ul style="list-style-type: none"> Supplier & vendor meets Workshops & trainings Supplier risk assessments 	Periodically	<ul style="list-style-type: none"> Supply of material & services. Adherence to companies' policy on ethical business conduct. Compliance on Conflict free mineral procurements. Safety requirements. Compliances with laws and regulations
Business Partners	No	<ul style="list-style-type: none"> Dialogue with Dealers (channel sales) and coordinating units of importers 	Periodically	Provide service to present customers while increasing the potential for future growth.
Government and Regulatory Bodies	No	<ul style="list-style-type: none"> Official communication channels Regulatory audits/ inspections Environmental compliance Policy intervention Good governance 	Frequent and as need based	Obtaining permissions / licenses/ business development approvals
Communities	Please refer to the following link for information about the Company's community work: ⇒ https://hbl.in/Corporate-Social-Responsibility.html			

Leadership Indicators

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

HBL is actively working towards ensuring that the Board remains informed of developments related to Environmental, Social, and Governance (ESG) matters and solicits valuable input from its stakeholders. Through ongoing stakeholder engagement and comprehensive assessments, HBL aims to align its business practices with ESG principles effectively. This strategic initiative is designed to enhance the company's ability to serve its stakeholders while fulfilling commitments to environmental sustainability, social responsibility, and robust governance practices. The Board is updated periodically with the stakeholder discussions.

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

Yes, HBL uses stakeholder consultation to support the identification and management of environmental and social topics. The company engages proactively and regularly with key stakeholders, which facilitates effective collaboration on its Environmental, Social, and Governance (ESG) strategies.

By incorporating stakeholder feedback, HBL continuously reviews and updates its policies, demonstrating adaptability and responsiveness to evolving sustainability needs and expectations. This approach aligns with prevailing regulations and reinforces the company's commitment to transparency and stakeholder collaboration in achieving its ESG objectives.

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

HBL is committed to engaging with disadvantaged, vulnerable, and marginalized stakeholder groups through its Corporate Social Responsibility (CSR) initiatives. These efforts are designed to address their concerns and improve their quality of life. Here are some key instances of such engagement:

1. **Early Years Child Development Program:** HBL supports 157 Anganwadi Centers, (up from 123), offering teaching and pastoral support to nearly 3,000 children. This program focuses on:
 - Advocating for economically disadvantaged children and providing them with essential resources.
 - Conducting periodic medical camps and providing counseling services for students.
 - Establishing dedicated centers that offer nutritious food, basic healthcare, uniforms, learning materials, and toys to young children.
2. **Nutrition Program:** In collaboration with the Akshaya Patra Foundation, HBL organizes a mid-day meal program, ensuring that children receive nutritious meals that support their growth and development.
3. **Support for Children with Challenges:** HBL extends its support to various organizations, including:
 - **Anuraag:** A home for differently abled children, offering care and support.
 - **NICE:** A center focused on the education of needy illiterate children, providing educational opportunities and resources, aligning with SDG 4 (Quality Education).
 - **Jyothi Ashram:** An orphanage that offers a nurturing environment for children without parental care.
4. **Caring for Elderly:** HBL aids MEANS, a shelter for the elderly and mentally challenged, by funding meals, medical care, and recreational activities, ensuring dignity and care for vulnerable seniors.
5. **Healthcare Initiatives:**
 - **Smile Train:** Sponsored 4 cleft surgeries (Hyderabad & Kashmir) for disadvantaged children, including post-operative care.
 - **KVR Memorial Trust:** Funded free eye surgeries for low-income individuals, particularly the elderly.
 - **HPV Vaccination Drive:** In collaboration with Basavataarakam Cancer Hospital, HBL will provide HPV cervical vaccines to 200 underprivileged girls, preventing cervical cancer and promoting women's health.
6. **Education & Infrastructure Development:**
 - **HBL Libraries:** Established 4 libraries in Telangana & Andhra Pradesh government schools (with JD Foundation) to enhance literacy and critical thinking.
 - **School Adoption:** Renovated 2 government schools, installed RO water systems, and strengthened foundational learning programs.

7. **Rural Development:**

Ongoing programs near HBL plants focus on various infrastructure works, proposed Digital Literacy Camps for students and adults.

Through these initiatives, HBL actively engages with and supports marginalized groups, reflecting its commitment to creating a sustainable and inclusive society. By addressing the needs of these stakeholders, HBL demonstrates a strong dedication to improving the quality of life for disadvantaged communities.



Please refer to the following link for information about the Company's community work:

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

PRINCIPLE 5 Businesses should respect and promote human rights.

Essential Indicators

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

Category	FY 2024-25			FY 2023-24		
	Total (A)	No of employees/ workers covered (B)	% (B/A)	Total (A)	No of employees/ workers covered (B)	% (B/A)
Employees						
Male	1989	795	39.77%	1875	729	38.88%
Female	163	61	37.42%	-	-	-
Total employees	2152	856	39.78%	1875	729	38.88%
Workers						
Male	4164	1865	44.79%	-	-	-
Female	996	487	48.90%	4827	877	18.17%
Total Workers	5160	2351	45.56%	4827	877	18.17%

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

Category	FY 2024-25					FY 2023-24				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	1989	-	-	1989	100%	1764	-	-	1764	100%
Female	163	-	-	163	100%	111	-	-	111	100%
Other than Permanent										
Male	NA									
Female										
Workers										
Permanent										
Male	NA									
Female										
Other than Permanent										
Male	4164	4164	100%	-	-	3789	3789	100%	-	-
Female	996	996	100%	-	-	1038	1038	100%	-	

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

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	2	2080.56 Lakhs [#]	-	-
Key Managerial Personnel	2	72.66 Lakhs	-	-
Employees other than BoD and KMP	1989	4.50 Lakhs	163	3.96 Lakhs
Workers	4164	2.1 Lakhs	996	1.84 Lakhs

*Total Board- 8, Male-4, Female-4; Executive-2; Non-Executive - 6 including 4 Female (No remuneration paid)

[#]Remuneration is annualized to compute the median value; The non-executive board members receive only sitting fees for attending meetings of the board/ committee. Hence, computation of median remuneration is not relevant

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

	FY 2024-25	FY 2023-24
Gross wages paid to females as % of total wages	4.46%	4.40%

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

HBL has mechanisms in place for addressing human rights impacts or issues caused or contributed to by the business. Employees are encouraged to report any complaints or grievances directly to the Human Resource department. When issues are reported, an internal committee may be formed or delegated to conduct a thorough investigation. This committee is tasked with evaluating the reported issues and ensuring their timely resolution.

In collaboration with Senior Management, the internal committee recommends appropriate solutions for the concerns raised. HBL is committed to ensuring that no retaliation or reprisal will be taken against any employee or associate who raises concerns in accordance with the grievance policy. This approach underscores the company's commitment to upholding human rights and fostering a supportive workplace environment.

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

HBL is committed to upholding human rights and has established mechanisms to address grievances related to human rights issues effectively. Recognizing the important role businesses play in safeguarding human rights, the company ensures that its employees, communities, contractors, and suppliers are protected. The key mechanisms in place include:

1. **Grievance Redressal Policy:** This policy aims to foster a harmonious work culture and cohesiveness among employees by ensuring prompt resolution of grievances. It builds mutual trust and supports the performance growth of both employees and the organization.
2. **Prevention of Sexual Harassment (POSH) Policy:** An Internal Complaints Committee (ICC) has been established to address and resolve complaints of sexual harassment, ensuring a safe and respectful workplace environment.
3. **Whistleblower Policy:** HBL provides an effective whistleblower mechanism that allows employees to freely report concerns about illegal or unethical practices without fear of retaliation.

**Grievance Handling Process:**

- Employees and affiliates are encouraged to report complaints or grievances directly to the Human Resource department.
- A dedicated internal committee is established to investigate reported human rights violations. This committee carefully evaluates the issues and ensures prompt resolution.
- In consultation with the HR department, the committee recommends appropriate remedies to effectively address grievances.
- The company ensures that no retaliatory action will be taken against any employee or affiliate for raising concerns under these policies.

Through these mechanisms, HBL demonstrates its commitment to creating a supportive and ethical workplace where human rights are respected and protected.

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

	FY 2024-25			FY 2023-24		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	No complaints filed during the year			No complaints filed during the year		
Discrimination at workplace						
Child Labour						
Forced Labour/Involuntary Labour						
Wages						
Other human rights related issues						

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

	FY 2024-25	FY 2023-24
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	No Complaints filed during the year	
Complaints on POSH as a % of female employees / workers		
Complaints on POSH upheld		

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases. HBL is dedicated to ensuring a safe and respectful workplace, particularly in cases of discrimination and harassment. The company has established robust mechanisms to prevent adverse consequences for complainants, including:

1. Confidentiality Assurance: All grievance proceedings are conducted with the highest level of confidentiality. Personnel involved in the process are mandated to keep all information and documentation strictly confidential, safeguarding the privacy of the complainant.
2. Internal Complaints Committee (ICC): An independent committee has been constituted to consider and address grievances, making impartial decisions and actions without external influence. This committee operates with transparency and integrity, ensuring a fair investigation.
3. Prohibition of Retaliation: The company strictly prohibits any form of retaliation or reprisal against individuals who report grievances. HBL's policies ensure that complainants are protected from any negative repercussions as a result of their participation in grievance proceedings.

4. **Behavioral Standards:** The company enforces strict standards against harsh or offensive behavior during grievance proceedings. Any misconduct is treated seriously under the organization's disciplinary policies, with stringent actions taken against those who engage in unethical conduct.

These measures reflect HBL's commitment to maintaining a respectful and supportive workplace, ensuring that individuals feel safe to report concerns without fear of adverse consequences.

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

Yes, human rights requirements are integral components of HBL's Supplier Code of Conduct. The company is committed to ensuring that its suppliers adhere to internationally recognized human rights standards and implement them in all business activities within their sphere of influence. The use of forced or compulsory labor is strictly prohibited.

To be considered part of HBL's value chain, suppliers must comply with the following human rights requirements:

- **Child Labor:** Suppliers must refrain from employing children in violation of conventions 138 and 182 of the International Labor Organization and Indian labor laws.
- **Wages and Hours:** Suppliers are expected to maintain a fair and competitive remuneration policy.
- **Equal Opportunities/Anti-Discrimination:** Suppliers are required to avoid discrimination based on race, ethnic background, age, religion, gender, sexual orientation, or disability.

These requirements ensure that suppliers support HBL's commitment to ethical practices and human rights. For more information, the Company's Supplier Code of Conduct can be accessed via the following link: [HBL Supplier Code of Conduct](#).

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100% % of our plants are assessed by Statutory bodies, external customer audits, certification agencies and regulatory authorities. ISO- major plants
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

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

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



Leadership Indicators

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

During the year, HBL did not record any human rights violations, and as a result, there have been no modifications or introductions of business processes specifically in response to addressing human rights grievances or complaints. Our existing policies and processes continue to uphold and safeguard human rights effectively, ensuring that any potential issues are managed proactively and comprehensively. HBL remains committed to monitoring and enhancing our practices to maintain a respectful and compliant workplace environment.

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

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

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

Yes, our premises are accessible to differently abled visitors, with facilities like ramps, lifts, and handrails, complying with the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Currently, HBL does not possess a formal assessment mechanism dedicated to monitoring the environmental impact of value chain partners' activities. HBL's Supplier Code requires all suppliers and value chain partners to comply with local socio-environmental regulations. This framework ensures alignment with HBL's ESG commitment. This approach underscores our dedication to responsible environmental practices and sustainability across our value chain.
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

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

No significant risks were identified based on the above assessments.

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

Essential Indicators

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

Parameter	FY 2024-25	FY 2023-24
From renewable sources		
Total electricity consumption (A)	7.33*	3.55
Total fuel consumption (B)	41.57	26.15
Energy consumption through other sources (C)	0	0
Total energy consumed from renewable sources (A+B+C)	48.90	29.70

Parameter	FY 2024-25	FY 2023-24
From non-renewable sources		
Total electricity consumption (D)	196.94	208.03
Total fuel consumption (E)	50.97	77.42
Energy consumption through other sources (F)	0.87	2.98
Total energy consumed from nonrenewable sources (D+E+F)	248.98	288.43
Total energy consumed (A+B+C+D+E+F)	297.68	318.13
Energy intensity per rupee of turnover (Total energy consumption (TJ)/Turnover in Lakhs)	0.0015	0.0014
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total energy consumed / Revenue from operations adjusted for PPP)	0.03	0.03
Energy intensity in terms of physical output	Common physical output is not feasible as the company has diversified product portfolio	
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Improvement as result of enhanced Renewable energy consumption during the current year

**Purchase Power Parity (PPP) source : <https://www.imf.org/external/datamapper/PPPEX@WEO/OEMDC>

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

No

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

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

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

Not Applicable

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

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kiloliters)		
(i) Surface water	25000	22000
(ii) Groundwater	214843	218227
(iii) Third party water	21292	16287
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	261135	256514
Total volume of water consumption (in kiloliters)	261135	247226



Parameter	FY 2024-25	FY 2023-24
Water intensity per rupee of turnover (Total water consumption in KL / Turnover in Lakhs))	1.34	1.11
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)	27.72	22.63
Water intensity in terms of physical output	Common physical output is not feasible as the company has diversified product portfolio	
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

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

No

4. Provide the following details related to water discharged:

Our Manufacturing facilities are Zero liquid discharge plants hence not applicable.

Parameter	FY 2024-25	FY 2023-24
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
Total water discharged (in kiloliters)	0	0

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

No

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

Yes, HBL has implemented a mechanism for Zero Liquid Discharge (ZLD) across all its manufacturing plants. This initiative is part of the company's commitment to sustainable water management practices. Each plant is equipped with both effluent treatment plant (ETP) and sewage treatment plant (STP) facilities, ensuring that all wastewater generated during manufacturing processes is thoroughly treated and recycled. These measures are designed to prevent any liquid discharge into the environment, thereby promoting water conservation and minimizing the environmental impact of HBL's operations.

The ZLD system effectively manages and treats wastewater, enabling the organization to reuse water within its processes and contribute to sustainable resource management. This approach not only ensures compliance with regulatory requirements but also underscores HBL's dedication to environmental stewardship and responsible manufacturing practices.

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

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	mg/nm3	NA*	NA*
SOx	mg/nm3	NA	NA
Particulate matter (PM)	mg/nm3	NA	NA
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify		NA	NA

*Data is as per air emission monitoring requirement given in consent for operation & in compliance with Pollution Control Board (PCB) norms

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

No

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

Parameter	Unit	FY 2024-25	FY 2023-24
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	7462.88	9893.83
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	39770.14	46808.32
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions (MT) / Turnover in Lakhs)	Metric tonnes of CO ₂ Equivalent	0.24	0.21
Energy intensity per rupee for Purchasing Power Parity (PPP)* (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	5.01	4.28
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Common physical output is not feasible as the company has diversified product portfolio		
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

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

No

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

The company is committed to reducing greenhouse gas emissions through several strategic initiatives. We focus on integrating renewable energy, primarily solar power, to decrease reliance on fossil fuels and lower their carbon footprint. Transitioning to biomass boilers, which use organic materials like wood chips, provides a more sustainable heating option. The company also enhances energy efficiency in manufacturing by adopting advanced technologies and optimizing equipment. Exceeding greenery coverage norms at manufacturing sites aids in carbon sequestration. These efforts demonstrate the company's dedication to sustainability and environmental stewardship.



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

Parameter	FY 2024-25	FY 2023-24
Total Waste generated (in metric tonnes)		
Plastic waste (A)	142	186
E-waste (B)	1.55	4.29
Bio-medical waste (C)	0	0
Construction and demolition waste (D)	0	0
Battery waste (E)	2282.73	2704
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G)	2632.65	2077
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	157	232
Total (A+B + C + D + E + F + G + H)	5216.19	5203
Waste intensity per rupee of turnover (Total waste generated (MT)/Turnover in Lakhs)	0.03	0.01
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total waste generated / Revenue from operations adjusted for PPP)	0.55	0.38
Waste intensity in terms of physical output	Common physical output is not feasible as the company has diversified product portfolio	
Waste intensity (optional) – the relevant metric may be selected by the entity		
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1448.95	343.38
(ii) Re-used	1341.14	1507.20
(iii) Other recovery operations	3.67	0
Total	2793.76	1850.58
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	235.90*
(iii) Other disposal operations	2422.43	1483.03
Total	2422.43	1718.93

*Includes Safely disposed to Authorized recyclers for landfilling

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

No

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

HBL has adopted comprehensive waste management practices to uphold environmental sustainability and minimize the ecological impact of its operations. The company's approach involves systematic categorization and disposal of waste, ensuring compliance with regulatory standards set by Pollution Control Boards and other authorities.

Waste Management Practices:

1. Categorization and Disposal: Waste is meticulously categorized into hazardous and non-hazardous types, with specific disposal methods tailored to each category. This ensures that all waste is managed responsibly and in accordance with legal requirements.
2. Focused Improvement Projects (FIPs): HBL has initiated FIPs aimed at reducing waste generation at its source. These projects focus on process optimization to minimize waste production and enhance operational efficiency.
3. Centralized Scrapyard: Manufacturing locations maintain centralized scrapyards to facilitate the proper segregation and disposal of waste. This system aids in organized waste management and prevents environmental contamination.
4. Dedicated Scrap Management Team: A specialized team is tasked with overseeing scrap management. This team conducts regular awareness training sessions to educate employees about effective waste management practices.
5. Comprehensive SOPs: HBL has developed detailed Standard Operating Procedures (SOPs) for waste management, providing clear guidelines on waste handling, segregation, and disposal.
6. Employee Awareness and Training: The company prioritizes employee education through virtual and classroom training sessions. These sessions cover topics such as waste generation, disposal methods, and the impact on health, safety, and the environment.
7. Third-Party Waste Accountability: HBL ensures that wastes sold to third parties are accounted for, maintaining transparency and accountability in its waste management processes.

Reduction of Hazardous and Toxic Chemicals:

HBL is committed to reducing hazardous and toxic chemicals in its products and processes, prioritizing safer manufacturing practices. The company regularly updates its strategies to minimize chemical usage, supported by ISO certifications at its manufacturing sites, indicating compliance with high environmental management standards. These efforts underline HBL's commitment to responsible waste management and environmental stewardship, promoting sustainability and community well-being.

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

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

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

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



13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

If not, provide details of all such non-compliances, in the following format:

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

The Company is compliant with all applicable environmental laws/regulations/guidelines.

Leadership Indicators

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

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

- Name of the area
- Nature of operations
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2024-25	FY 2023-24
Water withdrawal by source (in kiloliters)	HBL manufacturing units are not located in water stress areas.	HBL manufacturing units are not located in water stress areas.
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
Total volume of water withdrawal (in kiloliters)	HBL manufacturing units are not located in water stress areas.	HBL manufacturing units are not located in water stress areas.
Total volume of water consumption (in kiloliters)		
Water intensity per rupee of turnover (Water consumed / turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kiloliters)		

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

No

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

Parameter	Unit	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	Not Available	
Total Scope 3 emissions per rupee of turnover	-		
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-		

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

No

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

Not Applicable, The Company does not have operations in ecologically sensitive areas.

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

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Alkaline/ acidic fumes scrubbed effectively improving the air quality	Alkaline/ acidic fumes scrubbed effectively improving the air quality	Air quality improved
2	Improvement of ground level water	Ground water level improved through usage of rainwater harvesting and reduced dependency on third party sources of water.	Ground water level increased
3	Control the fumes	Wet scrubbers Re conditioning done	Fumes controlled
4	Control Emission	Re conditioning of Boiler	Emission controlled
5	Process Improvement in Effluent treatment	Integrated Reverse Osmosis (IRO) Service done	Improved Effluent recycling
6	Process Improvement in Effluent treatment	Decentralized Effluent Evaporation (DEE) Service done	Improved Recovery of Condensate water

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

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

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



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

The company expects its value chain partners to comply with local laws and establish measurable objectives and targets for enhanced environmental performance. These objectives are periodically reviewed to ensure their ongoing relevance and effectiveness in promoting sustainability and minimizing environmental impact

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Currently, HBL does not possess a formal assessment mechanism dedicated to monitoring the environmental impact of value chain partners' activities. HBL's Supplier Code requires all suppliers and value chain partners to comply with local socio-environmental regulations. This framework ensures alignment with HBL's commitment to high environmental standards. This approach underscores our dedication to responsible environmental practices and sustainability across our value chain.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.
Three
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	The Federation of Telangana Chamber of Commerce Industry [FTCCI]	State
2	Engineering Export Promotion Council [EEPC INDIA]	National
3	Indian Battery Manufacturers Association [IBMA]	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
There were no incidents of anti-competitive behavior involving the Company during the reporting period (2024-25)		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others – please specify)	Web Link, if available
Not Available					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
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Not applicable as there were no projects undertaken that required an SIA in the current financial year.

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
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Not Applicable

- Describe the mechanisms to receive and redress grievances of the community.

The Company has an internal Grievance Policy. The Community members can approach the CSR team of the unit, who shall document the grievance and collect the written complaint, which shall be addressed by the Plant Head in consultation with the Corporate Office.

Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2024-25	FY 2023-24
Directly sourced from producers MSMEs/small	34.24%	39.94%
Directly from within India	73.79%	85.98%

- Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25*	FY 2023-24
Rural	48.74%	41.23%
Semi-urban	10.12%	8.91%
Urban	0.97%	0.81%
Metropolitan	40.17%	49.05%

*Workings based on RBI Classification

Leadership Indicators

- Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable, HBL has not conducted a Social Impact Assessment of its projects currently	

- Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In ₹)
1	Andhra Pradesh	Vizianagaram, Vizag Districts	₹82.09 Lakhs (as of March 31, 2025)



3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) - No
- (b) From which marginalized /vulnerable groups do you procure? - Not Applicable
- (c) What percentage of total procurement (by value) does it constitute? - Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Not Applicable

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
	<p>CSR Project: To provide support for achieving complete physical, psychological, and social development of the children between 3 - 6 yrs of the village Anganwadies as per ICDS guidelines. HBL chose development of villages and the Children residing in the surrounding villages within 10 kms radius as our Focus and Target beneficiaries, as they are the future of the Society. Scope of our operations :</p> <ul style="list-style-type: none"> to provide additional supplementary nutrition to conduct, coordinate facilitation of Health & Nutrition education program through monthly meetings. to provide health check-ups for all the children to provide additional facilities such as teaching learning material, play school material and also to provide training to the teachers periodically. <p>Objectives:</p> <ul style="list-style-type: none"> to improve the nutritional and health status of children in the age group of 3-6 yrs. to reduce the incidence of mortality, morbidity, malnutrition and school dropouts. to educate and create awareness to the target group regarding Health and Nutrition to lay the foundations for proper psychological, physical and social development of the child through preschool education 	More than 3000 Anganwadi Children	90%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Customer response and satisfaction are paramount for HBL. The Company actively engages with its customers across various platforms to comprehend their expectations and feedback. Through direct interactions and by utilizing customer portals, HBL collects customer feedback on a monthly basis.

HBL devises and implements corrective measures to address customer concerns effectively. Customer satisfaction trends are meticulously compiled, monitored, and reviewed by management at defined intervals. These reviews serve as a basis for obtaining directives for continuous improvement, ensuring that HBL remains responsive to the evolving needs and preferences of its customers.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

Aspects	FY 2024-25		Remarks	FY 2023-24		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL		NIL	NIL	
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

	Details of instances of product recalls on account of safety issues:	
Aspects	Number	Reasons for recall
Voluntary recalls	NIL	Not Applicable
Forced recalls		

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

HBL has in place appropriate data security and cyber risk prevention measures. The same is currently undergoing review for its adequacy and reliability. An Information Security Policy is being designed that will provide support, management direction and document how Information Security is managed throughout the organization.



6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

HBL's website has information about all the products it offers. Please refer to weblink <http://cs.hbl.in/nologinsmsourceservices.asp> for more details.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. HBL harnesses our extensive engineering expertise to deliver highly resilient and compliant products that meet the expectations on efficiency of our customers.

To ensure the safe usage of HBL products, we provide comprehensive precautions along with the products, in compliance with necessary regulations. The battery labels provide necessary information about safe and responsible usage of batteries. Additional user manuals with detailed instructions of unpacking, safety measures/cautions, and equipment installation are provided to customers.

Furthermore, additional details on the safe handling of our products are available through the weblink - <http://cs.hbl.in/docs/batteries/lead/dosdnts.pdf>/ <http://cs.hbl.in/docs/batteries/lead/InC-Instrucs.pdf>.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. The Company provides services to the Defence & Aviation Industry and it maintains regular communication with customers through diverse channels, including emails, weblinks, customer care numbers, and channel sales dealers.

In the event of any risk of disruption or discontinuation of essential services related to the company's products, these channels are actively utilized to disseminate relevant information.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief.

The Company provides mandatory product information like Product name, batch number, expiry date, and manufacturer address details etc on the product labels as per local regulatory requirements in readable format.

5. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No, The Company does not formally carry out, customer satisfaction surveys but actively collects customer feedback, compiling a comprehensive report to identify areas of concern. The Company also conducts targeted research based on business needs.

6. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact - None
- b. Percentage of data breaches involving personally identifiable information of customers- NIL
- c. Impact, if any, of the data breaches - NIL

FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To
The Members of
HBL Engineering Limited (formerly known as HBL Power Systems Limited),
Hyderabad.

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone Ind AS financial statements of HBL Engineering Limited (formerly known as HBL Power Systems Limited) Hyderabad, ("the Company") which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (Including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements including material accounting policies and other explanatory information. (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key audit matters

Key audit matters are those matters that in our professional judgment were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in Annual Report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the



Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) evaluating the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on other legal and regulatory requirements

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the Directors as on March 31, 2025, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2025 from being appointed as a Director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 42.2 to the standalone financial statements.
 - (ii) The company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
 - (iv) (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide



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

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) (a) The dividend declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) As stated in Note 42.3 to the standalone financial statements, the Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance

with section 123 of the Act, as applicable.

- (vi) Based on our examination, which included test checks, we observed that the company has used accounting software for maintaining its books of account which has a feature of recording an audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the process of binding the MAC address for the user's login is currently pending. Further, during the course of our audit, we did not come across any instances where the audit trail feature was tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

For **L N R Associates**
Chartered Accountants
FRN 05381S

Raghuram Vedula
Partner
M.No. 242883
UDIN: 25242883BMIRNE3619

Place: Hyderabad
Date: May 24, 2025

Annexure - A

(Referred to in Paragraph 1 of 'Report on Other Legal and Regulatory Requirements' in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment; (capital work-in-progress and relevant details of right-of-use assets);
- (b) The Company has maintained proper records showing full particulars of Intangible assets;
- (c) The management has carried out physical verification of assets in accordance with a designed programme. In our opinion the periodicity of the physical verification is reasonable. No material discrepancies were noticed on such verification.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the company and read together with Note no. 5.2 of the Financial Statements, the details of title deeds of immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) not held in the name of the company, for the reasons stated therein the said note, are as follows:
- ₹ in lakhs
- | Fixed Asset | No. of Cases | Gross Block as at March 31, 2025 | Net Block as at March 31, 2025 |
|-----------------------|--------------|----------------------------------|--------------------------------|
| Freehold Land | 9 | 3,364.53 | 3,364.53 |
| Non-Factory Buildings | 5 | 1,393.14 | 1,237.79 |
| Total | 14 | 4,757.67 | 4,602.32 |
- (e) The Company had not revalued any of its Property, Plant and Equipment (including right of use of assets) or intangible assets.
- (f) According to the information and explanations given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- (ii) (a) The Inventories within the factory premises/ stores and at branches have been physically verified by the management during the year and also at the year end. For materials lying with ancillary parties, confirmations have been obtained in some cases. In our opinion, the coverage and procedure of verification by the management is appropriate. The discrepancies noticed, upon verification, between physical stocks and book records were less than 10% in the aggregate of each class of inventory and such differences have been properly dealt with in the books of account.
- (b) According to the information and explanations given to us, the company was sanctioned working capital limits in excess of ₹5 Crores in aggregate by the Banks / Financial Institutions on the basis of security of current assets. The quarterly returns or statements filed by the company with such banks / Financial Institutions are in agreement with books of account of the company.
- (iii) The Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships, or any other parties during the year. The Company has made investments in companies during the year, in respect of which the requisite information is as below:
- (a) During the year the company made investments in one subsidiary to the tune of ₹120 lakhs, the balance as at the year ending being ₹294.31 lakhs.



- (b) In our opinion, the investments made, guarantees provided and the terms and conditions of the grant of loans, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are generally been regular as per stipulation.
- (d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, investments, guarantees and security.
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits to which provisions of Sections 73 to 76 and other relevant provisions of the Act and rules made thereunder are applicable.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act and are of the opinion that prima-facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing the undisputed statutory dues including Goods and Services Tax (GST), Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess, and other material statutory dues, as applicable with the appropriate authorities.
- (b) According to the information and explanations given to us, the following demands have not been deposited on account of disputes.

Name of the Statute	Amount involved ₹ in lakhs	Forum where the Dispute is pending as at March 31, 2025
Finance Act (Service Tax)	194.90	CESTAT, Delhi and Hyderabad
GST Act	65.09	High Court, Patna
GST Act	1.88	Addl. Commissioner, Kerala & UP, Kolkata, Rajasthan
Central Excise Act	2,169.92	CESTAT, Hyderabad
Customs Act	488.70	CESTAT, Chennai
Sales Tax	106.94	Appellate Tribunal, Hyderabad
	255.55	High Court, Chattisgarh
	92.66	Commissioner Appeals, Faridabad, Lucknow, Ranchi and Patna
	218.76	High Court, Hyderabad

- (viii) There were no transactions that were not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- (ix) (a) In our opinion and according to the information and explanations given to us, the

company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender;

- (b) From the information given to us, the company is not declared willful defaulter by any bank or financial institution or other lender;
- (c) Based on review of the records of the term loan drawn and utilization thereof on an overall basis, the term loans have been applied for the purposes for which the loans were raised;
- (d) From a review of the Cash flows furnished by the company, we are of the opinion that the company had not utilized any funds raised on short term basis for long term purposes;
- (e) The company had not taken any fund from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) During the year the company had not raised any loans on the pledge of securities held in its subsidiaries, joint ventures or Associate Companies.
- (x) (a) The Company had not raised any money by way of Initial Public Offer or further Public Offer (including Debt Instruments).
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, during the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible debentures during the year.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the

management, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

- (b) The Auditors have not filed any report with the Central Government under sub-section (12) of section 143 of the Companies Act, in form ADT – 4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014.
- (c) From a review of the Secretarial Records, we observe that the company had not received any whistle-blower complaints during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, Paragraph 3 (xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards.
- (xiv)(a) The company has appointed an external agency to carry out internal audit and their reports were made available to us. In as much, in our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of the Internal Auditors for the period under audit.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into Non-Cash transactions with Directors or persons connected with them.
- (xvi)(a) According to the information and explanations given to us, the company is not required to be registered under section 45-IA.



- (b) Upon a review of the records of the company, we are of the opinion that the company had not conducted any Non-Banking Financial or Housing Finance activity.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- (d) The does not have more than one CIC as part of the Group.
- (xvii) The company has not incurred any cash loss either in the financial year or in the immediately preceding financial year.
- (xviii) During the year there is no resignation of statutory auditors.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) The company does not have any unspent amount in respect of other than ongoing projects.
- (b) In our opinion and according to the information and explanations given to us, the company does not have any unspent amount in respect of ongoing projects that are required to be transferred to a special account in compliance with the provision of sub-section (6) of section 135.
- (xxi) Upon a review of the reports of the respective auditors of companies under the group, we observe that there are no qualifications or adverse remarks in their Companies (Auditor's Report) Order reports.

For **L N R Associates**
Chartered Accountants
FRN 05381S

Raghuram Vedula
Partner
M.No. 242883
UDIN: 25242883BMIRNE3619

Place: Hyderabad
Date: May 24, 2025

Annexure - B

(Referred to in Paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of HBL Engineering Limited (formerly known as HBL Power Systems Limited) ("the Company") as of March 31, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply

with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and



expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the unit has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **L N R Associates**
Chartered Accountants
FRN 05381S

Raghuram Vedula
Partner
M.No. 242883
UDIN: 25242883BMIRNE3619

Place: Hyderabad
Date: May 24, 2025

Standalone balance sheet

as at March 31, 2025

(₹ in Lakhs)

Particulars		Note	As at March 31, 2025		As at March 31, 2024	
ASSETS						
1	Non current assets					
(a)	Property, Plant and Equipment	5	36,430.15		33,306.37	
(b)	Capital works in progress	6	6,818.15		1,798.71	
(c)	Right of use assets	9	1,572.39		422.39	
(d)	Intangible assets	7	356.82	45,177.51	789.29	36,316.76
(e)	Financial assets					
(i)	Investments	10	18,485.44		9,322.64	
(ii)	Loans	12	220.00		220.00	
(iii)	Other financial assets	13	5,281.53		6,987.54	
(f)	Other non current assets	14	3,383.59	27,370.56	176.66	16,706.84
2	Current assets					
(a)	Inventories	15	52,058.52		42,891.80	
(b)	Financial assets					
(i)	Investments	10	8,077.34		2.58	
(ii)	Trade receivables	16	38,603.05		35,585.75	
(iii)	Cash and cash equivalents	17	11,296.04		22,057.47	
(iv)	Other bank balances	17	2,399.12		1,147.98	
(v)	Others	17	4,909.06		4,569.69	
(c)	Other current assets	18	3,851.14		3,097.60	
Total				1,21,194.27		1,09,352.87
				1,93,742.34		1,62,376.46
EQUITY AND LIABILITIES						
1	Equity					
(a)	Equity share capital	19	2,771.95		2,771.95	
(b)	Other equity	20	1,43,060.44	1,45,832.39	1,17,762.38	1,20,534.33
Liabilities						
2	Non current liabilities					
(a)	Financial liabilities					
(i)	Borrowings	21	41.79		1,593.06	
(ii)	Lease liability	21	1,295.28		264.91	
(b)	Provisions	22.1	3,864.84		3,253.99	
(c)	Deferred tax liabilities (Net)	23	983.11		789.49	
(d)	Other non current liabilities			6,185.02		5,901.45
3	Current liabilities					
(a)	Financial liabilities					
(i)	Borrowings	24	4,544.01		3,490.64	
(ii)	Lease liability	25	373.52		226.24	
(iii)	Trade payables:					
	Total outstanding dues of MESE	26	1,481.40		1,492.61	
	Total outstanding dues to creditors other than MESE	26	16,428.53		11,380.58	
(b)	Other financial liabilities	27	4,567.69		6,415.97	
(c)	Other current liabilities	28	9,358.30		8,403.87	
(d)	Provisions	22.2	4,616.17		3,744.31	
(e)	Current tax liabilities (Net)	29	355.31	41,724.93	786.46	35,940.68
Total				1,93,742.34		1,62,376.46

The accompanying notes 1 to 43 form an integral part of this standalone financial statements

As per our report of even date annexed

 For **L N R Associates**

Chartered Accountants

FRN No. 053815

On behalf of the board

Raghuram Vedula

Partner

M.No : 242883

UDIN : 25242883BMIRNE3619

Place : Hyderabad

Date : May 24, 2025

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

Sairam Edara

Chief Financial Officer

M S S Srinath

Whole-time Director

DIN : 00319175

GBS Naidu

Company Secretary

Kavita Prasad Aluru

Director

DIN : 00319292

Place : Hyderabad

Date : May 24, 2025



Standalone statement of profit & loss

for the year ended March 31, 2025

(₹ in Lakhs)

Particulars	Note	Year ended March 31, 2025		Year ended March 31, 2024	
Revenue					
I Revenue from operations	30		1,94,613.25		2,20,859.42
II Other income	31		2,678.78		1,665.41
III Total income (I + II)			1,97,292.03		2,22,524.83
IV Expenses					
Cost of material consumed	32		98,839.02		1,20,299.60
Purchases of stock in trade			7.19		18.25
Changes in inventories of finished goods, stock-in - trade and work - in - progress	33		(1,710.36)		(6,001.08)
Employee benefits expense	34		16,995.93		14,954.95
Finance costs	35		1,175.80		1,241.89
Depreciation and amortization expense	36		4,243.72		3,940.74
Works contract expenses	37		4,972.24		14,254.94
Manufacturing expenses	38		20,656.83		19,233.82
Administrative expenses	38		7,959.40		7,361.28
Selling expenses	38		7,862.36		8,886.16
Total expenses (IV)			1,61,002.13		1,84,190.56
V Profit before exceptional items and tax (III - IV)			36,289.90		38,334.27
VI Exceptional items - income/(expense)	39		(123.46)		(2,817.25)
VII Profit before tax (V - VI)			36,166.44		35,517.02
VIII Tax expense	40				
(1) Current tax		9,200.00		9,380.00	
(2) Deferred tax (asset)/liability		215.97		(180.24)	
(3) Income tax relating to previous years		-	9,415.97	(61.72)	9,138.03
IX Profit for the period (VII - VIII)			26,750.47		26,378.99
X Other comprehensive income (Net)					
Items that will not be reclassified to profit or loss -					
Remeasurement of defined benefit plans		(88.79)		(226.18)	
Income tax		22.35	(66.44)	56.93	(169.26)
XI Total comprehensive income (IX - X)			26,684.03		26,209.73
XII Earnings per equity share	41				
(1) Basic (of ₹1/-each)			9.63		9.46
(2) Diluted (of ₹1/-each)			9.63		9.46

The accompanying notes 1 to 43 form an integral part of this standalone financial statements

As per our report of even date annexed

For **L N R Associates**

Chartered Accountants

FRN No. 053815

On behalf of the board

Raghuram Vedula

Partner

M.No : 242883

UDIN : 25242883BMIRNE3619

Place : Hyderabad

Date : May 24, 2025

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

Sairam Edara

Chief Financial Officer

M S S Srinath

Whole-time Director

DIN : 00319175

GBS Naidu

Company Secretary

Kavita Prasad Aluru

Director

DIN : 00319292

Place : Hyderabad

Date : May 24, 2025

Standalone cash flow statement

for the year ended March 31, 2025

(₹ in Lakhs)

	March 31, 2025		March 31, 2024	
A Cash flow from operating activities				
Net profit before tax and exceptional items		36,289.90		38,334.27
Exceptional items - income / (expenditure) *		(123.46)		(2,817.25)
Other comprehensive income (net)		(88.79)		(226.18)
Total comprehensive income before tax		36,077.65		35,290.84
Adjustments for:				
Depreciation	3,554.35		3,141.29	
Amortisation	432.46		603.02	
Changes in Right of use assts and lease liabilities	326.26		262.72	
Diminution in value of investments	62.68		300.00	
Assets written off	85.05		2,686.09	
Profit/loss on sale of assets	(8.77)		10.49	
Profit/loss on exchange of assets	(15.49)		(4.31)	
Advances & deposits written off	28.10		174.20	
Interest income and income from investments	(1,282.21)		(642.95)	
Interest expense	337.97		793.01	
Bad debts written off (Credit impairment)	(25.00)		-	
Provision for doubtful debts (Lifetime expected credit loss)	505.00		955.43	
Other provisions	1,482.72		2,869.71	
		5,483.11		11,148.71
Operating profit before working capital changes		41,560.76		46,439.55
(Increase)/decrease in trade receivables	(3,522.29)		(7,167.00)	
(Increase)/decrease in inventories	(9,166.72)		(9,768.98)	
(Increase) / decrease in financial assets **	(641.14)		(90.14)	
Increase/(decrease) in trade payables	5,036.74		3,215.28	
Increase/(decrease) in current liabilities	(893.84)		4,054.61	
		(9,187.25)		(9,756.24)
Cash generated from operations		32,373.51		36,683.31
Income tax paid net of refunds		(9,631.15)		(8,292.67)
Income tax adjustment relating to previous years		-		61.72
Net cash flow from operating activities (A)		22,742.36		28,452.36
B Cash flow from investing activities				
Purchase of fixed assets including CWIP	(11,861.21)		(6,661.86)	
Capital advances	(3,206.94)		(172.21)	
Sale proceeds of fixed assets	102.86		365.67	
Purchase of Investments	(17,300.25)		(8,816.40)	
Interest income and income from investments	1,282.21		642.95	
Net Cash flow from investing activities (B)		(30,983.33)		(14,641.85)



Standalone cash flow statement (contd.)

for the year ended March 31, 2025

(₹ in Lakhs)

	March 31, 2025		March 31, 2024	
C Cash flow from financing activities				
Proceeds from Long-term borrowings	(27.41)		(6,919.38)	
Repayment of Long term borrowings	1,592.48		8,463.64	
Payment of lease liability	298.62		238.06	
(Increase)/decrease in working capital borrowings	(1,067.17)		926.10	
Dividend payment	1,385.97		1,247.38	
Interest paid	337.97		793.01	
Net cash flow used in financing activities (C)		2,520.46		4,748.81
D Net increase in cash and cash equivalents (A+B-C)		(10,761.43)		9,061.71
Cash and cash equivalents at beginning of the period		22,057.47		12,995.77
Cash and cash equivalents at end of the period		11,296.04		22,057.47
Cash and cash equivalents				
Cash on hand		14.58		10.29
Balances with banks		11,281.46		22,047.18
Total		11,296.04		22,057.47

Notes to the cash flow statement for the year ended 31.03.2025

- 1 This statement is prepared as per Ind AS - 7 (indirect method).
- 2 * Details of the exceptional items are given in Note 39
- 3 ** Including bank balances other than cash and cash equivalents
- 4 Previous year's figures were re-grouped wherever necessary.

As per our report of even date annexed

For **L N R Associates**

Chartered Accountants

FRN No. 053815

On behalf of the board

Raghuram Vedula

Partner

M.No : 242883

UDIN : 25242883BMIRNE3619

Place : Hyderabad

Date : May 24, 2025

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

Sairam Edara

Chief Financial Officer

M S S Srinath

Whole-time Director

DIN : 00319175

GBS Naidu

Company Secretary

Kavita Prasad Aluru

Director

DIN : 00319292

Place : Hyderabad

Date : May 24, 2025

Standalone statement of changes in equity

for the year ended March 31, 2025

(₹ in Lakhs)

a) Share capital

	Current reporting period March 31, 2025	Previous reporting period March 31, 2024
Balance at the beginning of the year	2,771.95	2,771.95
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	2,771.95	2,771.95
Changes in equity share capital during the current year	-	-
Balance at the end of the year	2,771.95	2,771.95

b) Other equity

Particulars	Capital reserve	Securities premium	Other reserves		General reserve	Retained earnings	TOTAL
			Capital redemption reserve	Investment subsidy			
Balance at the beginning of the current reporting period April 1, 2024	1.02	23,010.66	2.70	55.77	32,272.35	62,419.88	1,17,762.38
Total comprehensive income						26,684.03	26,684.03
Dividend						(1,385.97)	(1,385.97)
Balance at the end of the current reporting period March 31, 2025	1.02	23,010.66	2.70	55.77	32,272.35	87,717.94	1,43,060.44
Balance at the beginning of the current reporting period April 1, 2023	1.02	23,010.66	2.70	55.77	32,272.35	37,457.53	92,800.03
Total comprehensive income						26,209.73	26,209.73
Dividend						(1,247.38)	(1,247.38)
Balance at the end of the current reporting period March 31, 2024	1.02	23,010.66	2.70	55.77	32,272.35	62,419.88	1,17,762.38

As per our report of even date annexed

 For **L N R Associates**
Chartered Accountants
FRN No. 053815

On behalf of the board

Raghuram Vedula
Partner
M.No : 242883
UDIN : 25242883BMIRNE3619
Place : Hyderabad
Date : May 24, 2025

Dr A J Prasad
Chairman & Managing Director
DIN : 00057275

Sairam Edara
Chief Financial Officer

M S S Srinath
Whole-time Director
DIN : 00319175

GBS Naidu
Company Secretary

Kavita Prasad Aluru
Director
DIN : 00319292

Place : Hyderabad
Date : May 24, 2025



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

1. Company overview

In order to reflect the current business, the company has applied to MCA for change of name from HBL Power Systems Limited to HBL Engineering Limited. MCA issued new certificate of incorporation on 13th November 2024 in the name of HBL Engineering Limited.

HBL Engineering Limited ("HBL" or "The Company") is a public limited company incorporated and domiciled in India and has its registered office at Hyderabad, Telangana State, India. The Company has its primary listings on the BSE Limited and National Stock Exchange of India Limited in India. The financial statements were reviewed by the Audit Committee in its meeting held on 24th May 2025 and approved by the Company's Board of Directors at the meeting held on 24th May 2025.

The principal activities of the Company comprise of manufacturing of different types of batteries including Lead Acid, Nicad, Silver Zinc, Lithium and Railway & Defence Electronics and other products. The Company is also engaged in service activities related to the above products.

2. Statement of compliance

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of Companies act 2013 read with companies (Indian accounting standards) rules as amended from time to time.

3.1 Basis of preparation

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

- i) Certain financial assets and liabilities (refer accounting policy on financial instruments);

- ii) Defined benefit and other long-term employee benefits
- iii) Provision for warranties
- iv) Extended Producer Responsibility (EPR)
- iv) Lease liability on right of use assets

3.2 Functional and presentation currency

The financial statements are presented in Indian rupees, which is the functional currency of the Company and the currency of the primary economic environment in which the Company operates. All financial information presented in Indian rupees has been rounded off to the nearest lakh of rupees except share and per share data.

3.3 Operating cycle:

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

3.4 Use of judgments, estimates and assumptions

The preparation of standalone financial statements are in conformity with the recognition and measurement principles of Ind AS requires management of the company make estimates and judgements that effect the reported balances of Assets and Liabilities, disclosures of contingent liabilities as at the date of standalone financial statements and reported amounts of income and expenses for the periods presented. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and future periods are effected.

The company uses the following critical accounting judgements, estimates and assumptions in the preparation of its standalone financial statements.

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

3.4 a Revenue recognition

- i) Revenue from contracts with customers that meet the recognition criteria under paragraph 9 of Ind AS 115 are recognised when (or as) a performance obligation is satisfied by transferring a promised good or service to a customer, for the amount of the transaction price that is allocated to that performance obligation.
- ii) The company exercises judgement for identification of performance obligations, determination of transaction price, allocation of transaction price to each distinct performance obligation and determining whether the performance obligation is satisfied at a point in time or over a period of time. These judgements have been explained in detail under the note on revenue. (refer note no. 30)

3.4 b Useful life, depreciation method and residual values of Property Plant and Equipment

The company reviews the useful life, depreciation methods and residual values of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods (refer note no. 5).

3.4 c Employee benefits

The accounting of employee benefits in the nature of defined benefit requires the company to use assumptions. These assumptions have been explained under employee benefit note (refer note no. 34)

3.4 d Leases

The company evaluates if an arrangement qualifies be a lease as per requirements of Ind As 116. Identification of lease requires significant judgement. The company uses

significant judgement in assessing the lease term (including anticipated renewals) and applicable discount rate. (refer note no. 9)

3.4 e Impairment of investments/intangible assets

The company reviews its carrying value of investments and intangible assets carried at cost (net of impairment, if any) annually or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount the impairment loss is accounted in the statement of profit and loss account.

3.4 f Provision for Income tax and deferred taxes

The company uses judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining provision for income tax. A deferred tax asset is recognised to the extent that it is probable that its future taxable profits will be available against which the deductible temporary differences and tax losses can be utilised accordingly the company exercises its judgement to re assess carrying amount of deferred tax asset at the end of each reporting period.

3.4 g Provision and contingencies

The company estimates the provisions that have present obligation as a result of past events and it is probable that out flow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and or adjusted to reflect the current best estimates.

The company uses significant judgements to assess contingent liabilities. Contingent liabilities are disclosed when there is possible



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

obligation arising from past events, the existence of which will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an out flow of resources will be required to settle the obligation or reliable estimate of the amount cannot be made. Contingent assets are disclosed in the standalone financial statements but not recognised.

4 Recent accounting pronouncements :

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Note: 5 Property, Plant and Equipment as on March 31, 2025

Accounting policy:

Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment loss if any. The cost of property plant and equipment includes those incurred directly for the construction or acquisition of the asset and directly attributable to bringing it to the location and condition necessary for it to be capable of operating in the manner intended by the management and includes present value of expected costs for dismantling/restoration where ever applicable.

The cost of major spares is recognized in the carrying amount of the item of property, plant and equipment, in accordance with the recognition criteria set out in the standard. The carrying amount of the replaced part is derecognized at the time of actual replacement. The costs of the day-to-day servicing of the item are recognized in statement of profit or loss as incurred. Each component / part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately only when it has a different useful life. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in statement of profit or loss when the item is derecognized.

Depreciation on tangible assets including those on leasehold premises is provided for under straight line method over the useful life of assets specified in Part C of Schedule II to the Companies Act, 2013 and in the manner specified therein, except in respect of dies and moulds which are depreciated over their technically estimated useful lives of 5 years on straight line method. Assets costing less than ₹5,000/- are fully depreciated in the year of purchase. Depreciation methods, useful lives and residual values are reviewed at each reporting date and accounted for as change in accounting estimate.

Property plant and equipment with finite life are evaluated for recoverability when ever there is an indication that their carrying amounts may not be recoverable. If such indication exists, the recoverable amount (higher of fair value less cost to sell and value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss account.

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Description	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As on April 1, 2024	Additions	Adjustments/deletions	As on March 31, 2025	For the period	Adjustments/deletions	As on March 31, 2025	As on March 31, 2024
Land - freehold	3,507.24	228.80	21.77	3,714.28	-	-	3,714.28	3,507.24
Buildings - factory	17,053.74	334.87	12.70	17,375.91	611.35	7.42	9,391.77	9,673.54
Buildings - others	944.60	448.53	-	1,393.14	24.43	-	1,237.79	813.69
Plant and equipment	43,930.93	4,755.05	592.78	48,093.20	2,201.41	500.65	19,172.05	16,708.98
Furniture & fixtures	973.25	190.02	4.75	1,158.52	96.19	5.71	654.27	559.98
Vehicles	1,650.58	163.75	136.59	1,677.74	154.37	93.23	953.25	987.23
Office equipment	2,888.81	720.73	58.80	3,550.74	466.60	56.74	1,302.41	1,051.40
Office equipment under finance lease	86.48	-	-	86.48	-	-	4.32	4.32
Technical library	1.89	-	-	1.89	-	-	-	-
Total	71,037.53	6,841.76	827.40	77,051.89	3,554.35	663.76	36,430.15	33,306.37
Carrying value as at March 31, 2024	65,425.46	7,072.47	1,460.40	71,037.53	3,141.29	891.40	33,306.37	-

(₹ in Lakhs)

5.1 In respect of dies, moulds and testing equipment 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.

5.2 Disclosure in respect of title deeds of immovable properties:

1 Freehold land:

- The Gross block of freehold land comprises of actual acquisition cost of ₹3,472.20 lakhs and land development charges capitalized of ₹242.08 lakhs.



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Notes forming part of the standalone financial statements

for the year ended March 31, 2025

- b) Out of the value of ₹3,472.20 lakhs, the details with regard to the value of land, Companies in whose name the title deeds are held and the reasons therefor are as follows : (₹ in Lakhs)

Title deeds held in the name of	Gross carrying value	Relation with the holder	Property held since	Remarks / reasons
1 HBL Engineering Limited (A)	107.67	-	-	Value of land, the title deeds in respect of which are in the name of the Company viz., HBL Engineering Limited
1 Hyderabad Batteries Private Limited	10.31	All these companies are part and parcel of HBL Engineering Limited due to name change/ merger.	From the date of change of name and merger.	Name Changed to Hyderabad Batteries Limited on 11-11-1987
2 Hyderabad Batteries Limited	24.39			Name Changed to HBL Limited on 09-08-1995
3 Nicad Systems Private Limited	1.07			Name changed to Pilazetta Batteries Limited on 13.02.1990
4 Pilazetta Batteries Limited	2.59			Merged with HBL Limited on 27.11.1995
5 Nagadhara Engineering Private Limited	1.62			Merged with HBL Limited on 27.11.1995
6 HBL Limited	45.69			Later merged with Sab Nife Power Systems Limited vide order dated 08.03.2000
7 Sab Nife Power Systems Limited	61.34			Name changed to HBL NIFE Power Systems Limited upon merger with HBL Limited 26.04.2000
8 HBL NIFE Power Systems Limited	287.73			Name changed to HBL Power Systems Limited with effect from 12-10-2006
9 HBL Power Systems Limited	2,929.79			Name changed to HBL Engineering Limited with effect from 13-11-2024
Total (B)	3,364.53	-	-	Value of land, the title deeds in respect of which are in the names of other Companies which are part and parcel of HBL Engineering Limited by virtue of approved schemes of merger and name changes.
Grand total (A + B)	3,472.20			

2 Non - factory buildings:

- a) The gross block of non-factory buildings of ₹1,393.14 lakhs, comprise of actual cost of building constructed on factory lands of value of ₹801.78 lakhs, and cost of acquisition of buildings, (situated on other than factory lands) purchased from the third parties, is ₹591.36 lakhs.



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

- b) The details with regard to the value of of buildings, Companies in whose name the title deeds are held and the reasons therefor are as follows : (₹ in Lakhs)

Name of the Company	Cost of buildings	Relation with the holder	Property held since	Remarks / reasons
A Buildings constructed on factory lands:				
1 HBL Power Systems Limited	395.81	All these companies are part and parcel of HBL Engineering Limited due to name change/ merger.	From the date of change of name and merger.	Name changed to HBL Engineering Limited with effect from 13-11-2024
2 HBL NIFE Power Systems Limited	405.97			Name changed to HBL Power Systems Limited with effect from 12-10-2006
Sub - total (A)	801.78			
B Buildings acquired from others:				
1 HBL Power Systems Limited	486.75	All these companies are part and parcel of HBL Engineering Limited due to name change/ merger.	From the date of change of name and merger.	Name changed to HBL Engineering Limited with effect from 13-11-2024
2 HBL NIFE Power Systems Limited	15.86			Name changed to HBL Power Systems Limited with effect from 12-10-2006
3 Sab Nife Power Systems Limited	88.75			Name changed to HBL NIFE Power Systems Limited upon merger with HBL Limited 26.04.2000
Sub - total (B)	591.36			Value of buildings, the title deeds in respect of which are in the names of other Companies which are part and parcel of HBL Engineering Limited by virtue of approved schemes of merger and name changes.
Grand total (A + B)	1,393.14			

Note: 6 Capital work in progress

Accounting policy:

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

- A) To the extent directly identifiable to any specific plant / unit, trial run expenditure net of revenue is included in the cost of property, plant and equipment.
- B) To the extent not directly identifiable to any specific plant / unit, is kept under 'expenditure during construction' for allocation to property, plant and equipment and is grouped under 'capital work-in-progress'.

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Machinery under erection	5,610	720
Civil works in progress	1,208	1,079
Total	6,818	1,799

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Amount in capital work in progress for a period of

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
As on 31.03.2025					
Project in progress	5,890.87	206.31	684.26	36.71	6,818.15
Projects temporarily suspended	-	-	-	-	-
Total	5,890.87	206.31	684.26	36.71	6,818.15
As on 31.03.2024					
Project in progress	1,060.46	706.20	32.05	-	1,798.71
Projects temporarily suspended	-	-	-	-	-
Total	1,060.46	706.20	32.05	-	1,798.71

Projects in progress for more than 3 years pertains to specialised budings under construction and is expected to be capitalised during FY 2025-2026.

Note: 7 Intangible assets as on March 31, 2025

Accounting policy:

Intangible asset is recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

New product development expenditure, software licences, technical knowhow fee, infrastructure and logistic facilities, etc. are recognised as intangible assets upon completion of development and commencement of commercial production.

Intangible assets are amortized on straight line method over their technically estimated useful lives.

Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates.

(₹ in Lakhs)

Description	Gross carrying amount			Accumulated amortization			Net carrying amount	
	As on April 1, 2024	Additions	As on March 31, 2025	As on April 1, 2024	For the period	As on March 31, 2025	As on March 31, 2025	As on March 31, 2024
New product development expenditure (internally generated)	5,614.72	-	5,614.72	5,360.66	254.05	5,614.72	-	254.05
Power facility	96.16	-	96.16	96.16	-	96.16	-	-
Technical knowhow fee	1,849.60	-	1,849.60	1,314.37	178.41	1,492.78	356.82	535.23
Software development	991.49	-	991.49	991.49	-	991.49	-	-
Total	8,551.97	-	8,551.97	7,762.68	432.46	8,195.15	356.82	789.29
Carrying value as at March 31, 2024	8,328.39	223.58	8,551.97	7,159.67	603.02	7,762.68	789.29	-



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Note: 8 Disclosure as per Ind AS - 38 - Intangible assets (expenditure on research & development)

Aggregate amount of research and development expenditure that is not eligible for capitalization, recognised as an expense during the period in which they were incurred and grouped under other expenses is as under:

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Employee costs	827.80	639.88
Other expenses	83.73	459.65
Finance cost	3.31	16.97
Depreciation and amortization	56.86	102.31
Total	971.71	1,218.81

Note: 9 Leases

Accounting policy:

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

- i) Assets taken under lease
 - a) The Company recognises Right-of-Use (ROU) asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the ROU asset is measured in accordance with the measurement criteria as per Ind AS 116. The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU asset. The estimated useful lives of ROU assets are determined on the same basis as those of property, plant and equipment. ROU assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.
 - b) The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability in accordance with the requirements under Ind AS 116.
 - c) The Company has elected not to apply the requirements of Ind AS 116 leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense.

ii) Assets given on lease

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Disclosure as per IND-AS 116

- (i) The Company has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application. The Company has used a single discount rate to a portfolio of leases with similar characteristics. On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application using the practical expedient provided by the standard.

- (ii) The details of the Right-of-use asset held by the Company is as follows: (₹ in Lakhs)

Description	Leasehold land	Buildings	Total
Gross carrying amount			
As on April 01, 2024	226.43	609.33	835.76
Additions/adjustments	1,147.44	259.46	1,406.90
As on March 31, 2025	1,373.87	868.79	2,242.66
Accumulated amortization			
As on April 01, 2024	67.28	346.09	413.37
For the period	75.86	181.04	256.90
Additions/adjustments	-	-	-
As on March 31, 2025	143.14	527.13	670.27
Net carrying amount			
As on March 31, 2025	1,230.73	341.66	1,572.39
As on March 31, 2024	159.15	263.24	422.39

- (iii) **Lease liabilities:** (₹ in Lakhs)

	March 31, 2025	March 31, 2024
Opening balance	491.16	593.33
Additions/adjustments	1,395.85	69.59
Interest for the year	80.40	66.29
Cash outflow for leases	298.62	238.05
Closing balance*	1,668.79	491.16
Current lease liability	379.37	229.95
Non-current lease liability	1,289.42	261.21

*Ageing Analysis of lease liability is disclosed vide note 11.1 on financial instruments.



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

- (iv) The company incurred ₹193.36 lakhs for the year ended March 31, 2025 (Previous year ₹245.91 lakhs) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹491.98 lakhs for the year ended March 31, 2025 (Previous year ₹483.97 lakhs), including cash outflow for short term and low value leases.
- (v) Lease contracts for land & building entered by the company are primarily to conduct its business in the ordinary course.

Note: 10 Investments

Accounting policy:

- Investments in subsidiaries, associate and joint ventures are measured at cost. Impairment / diminution in value, other than temporary, is provided for.
- Investments classified as 'current investments' are carried at cost and diminution / impairment with reference to market value is recognized.
- Investments in mutual funds & Alternate Investment fund (AIF) are classified as "At fair value through Profit & Loss Account (FVTPL)" and gains/losses are routed through Profit & Loss at each reporting period.

(₹ in Lakhs)

				March 31, 2025	March 31, 2024
Investments in Subsidiaries and Associates:					
Unquoted - Non current:					
i) In equity instruments: (fully paid-up)					
	Number	Face	Name of the entity		
	Current year	Previous year	value		
a) Subsidiary companies					
	250	250	Euro 100 HBL Germany GMBH	14.92	14.92
	99,99,500	99,99,500	₹10 SCIL Infracon Private Limited - (refer note no.42.2)	1,248.37	1,248.37
	600	600	USD 1000 HBL America Inc.	323.02	323.02
	16,91,000	16,91,000	₹10 Torquedrive Technologies Private Limited	464.10	464.10
	5,100	5,100	₹10 HBL Tonbo Private Limited	0.51	0.51
	18,00,000	18,00,000	₹10 TTL Electric Fuel Private Limited	168.75	48.75
b) Associate company					
	41,000	41,000	₹10 Naval Systems & Technologies Private Limited	4.10	4.10
	81,630	1,12,156	₹10 Tonbo Imaging India Private Limited	8,667.42	8,667.42

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

(₹ in Lakhs)

					March 31, 2025	March 31, 2024
ii) Subsidiary company : In Preference instruments:						
10,00,000	10,00,000	₹10	TTL Electric Fuel Private Limited		100.00	100.00
Other Investments:						
Unquoted - Non current:						
iii) Others:						
100	100	USD 2.86	Tonbo Imaging Pte Ltd, Singapore (Preference)		0.23	0.23
-	200	₹10	Indian Lead Limited (Equity - listed but not quoted)		-	0.10
2,00,000	-	₹1,000	India SME Investment Fund-II(AIF) - Units		2,000.00	-
Quoted - Non current:						
iv)	-	-	-	Mutual Funds	7,102.91	-
Total					20,094.32	10,871.51
Less : Aggregate provision for diminution in value of investments					1,608.88	1,548.88
Carrying value of non-current investments					18,485.44	9,322.64

(₹ in Lakhs)

					March 31, 2025	March 31, 2024
Current investments- quoted :						
In equity instruments of other companies: (Fully paid-up)						
	Number		Face	Name of the entity		
	Current year	Previous year	value			
-	690		₹1	JSW Steel Limited	14.92	14.92
Other Investments :						
-	-		-	Mutual Funds	8,077.34	-
Total					8,077.34	2.58
Less : Aggregate provision for diminution in value of investments					-	-
Carrying value of current investments					8,077.34	2.58

(₹ in Lakhs)

	March 31, 2025		March 31, 2024	
	Non - current	Current	Non - current	Current
10.1 Aggregate amount of quoted investments	7,102.91	8,077.34	0.10	2.58
Aggregate market value of quoted investments	7,102.91	8,077.34	Not Available	5.74
Aggregate amount of unquoted investments	12,991.41	-	10,871.41	-
Aggregate amount of impairment / diminution in value of investments	1,608.88	-	1,548.88	-



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

(₹ in Lakhs)

10.2 Investee Company	Principal place of business	Country of incorporation	Proportion of ownership interest & voting Right
HBL Germany GMBH	Zwickau	Germany	100%
SCIL Infracon Private Limited	Hyderabad	India	100%
HBL America Inc.	Connecticut	U.S.A.	100%
Torquedrive Technologies Private Limited	Hyderabad	India	100%
TTL Electric Fuel Private Limited	Hyderabad	India	60%
HBL Tonbo Private Limited	Hyderabad	India	51%
Naval Systems & Technologies Private Limited	Hyderabad	India	41%
Tonbo Imaging India Private Limited	Bangalore	India	11.13%
Tonbo Imaging Pte Ltd, Singapore	Cecil Street	Singapore	-

10.3 HBL Tonbo Private Limited (HTPL)

HBL Tonbo Private Limited (HTPL) was incorporated by HBL Engineering Limited and Tonbo Imaging India Private Limited incorporated on September 12, 2022 with a sharing ratio of 51:49. There were no commercial operations since inception of HTPL. An application under Section 248 (2) of the Companies Act, 2013 was made during FY 22-23 for striking off the name of the Company and is under process with Ministry of Corporate Affairs. In view of the same, a provision for diminution of 100% value of investment in equity shares of HTPL of ₹51,000 has been made during the previous reporting periods.

Torquedrive Technologies Private Limited (TTL) :

In view of the permanent diminution of the investments in TTL, during the previous year an amount of ₹300 lacs had been provided for diminution in value of investments.

TTL Electric Fuel Private Limited (TTL EFL) :

Electric Fuel Limited (EFL) is treated as subsidiary due to control arising on account of shareholding.

During the year HBL has invested an additional amount of ₹120 Lakhs in the equity of TTL EFL. Provision for diminution to the tune of ₹60 Lakhs, is made in the books as the fair value of equity share is ₹5/- against face value of ₹10/-.

Tonbo Imaging India Private Limited (Tonbo):

Pursuant to the shareholder's agreement entered, HBL exercised its conversion rights and consequently, on March 27, 2025 the Board of Directors of Tonbo Imaging India Private Limited (Tonbo) have approved the conversion of 1,12,156 Compulsorily Convertible Preference Shares (CCPS) of ₹100 each into 81,630 Equity shares of ₹10 each at an agreed conversion rate of 0.7278 equity share of ₹10 each for every 1 CCPS of ₹100 each held by HBL. Upon allotment of 81,630 Equity shares of ₹10 each on March 27, 2025 HBL holds 11.13% in the equity capital of Tonbo against overall original cost of Investment of ₹86.67 Crores.

Tonbo is continued to be classified as "Associate" based upon the Board representation and voting rights on affirmative matters affecting the operating and financials decisions of the investee company.

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Naval Systems and Technologies Private Limited:

NSTL is also classified as “Associate” due to significant influence arising on voting power in the Board and also share holding of 41%.

Mutual Funds and AIF:

Since the audited NAV for India SME investments (AIF) will be available within 180 days from the end of financial year, only the realized gains which will be passed through and reflected in Form 64C are recognized in the Profit & Loss for the period ended 31st March 2025. The balance gains/ losses will be recorded after the NAV duly audited is shared.

Note: 11 Financial instruments (financial assets and financial liabilities):

Accounting policy:

- i) All financial instruments are recognized initially at fair value. The classification of financial Instruments depends on the objective of the business model for which it is held and the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. For the purpose of subsequent measurement, financial instruments of the Company are classified into (a) Non-derivative financial instruments and (b) Derivative financial instruments.
- ii) **Non-derivative financial instruments**
 - a) Security Deposits, cash and cash equivalents, employee and other advances, trade receivables and eligible current and non-current financial assets are classified as financial assets under this clause.
 - b) Loans and borrowings, trade and other payables including deposits collected from various parties and eligible current and non-current financial liabilities are classified as financial liabilities under this clause.
 - c) Financial instruments are subsequently carried at amortized cost wherever applicable using Effective Interest Rate (EIR) method less impairment loss.
 - d) Transaction costs that are attributable to the financial instruments recognized at amortized cost are included in the fair value of such instruments.
- iii) **Derivative financial instruments**
 - a) Derivative financial assets and liabilities are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date
 - b) Changes in the fair value of any derivative asset or liability are recognized immediately in the income statement and are included in other income or expense.
 - c) Cash flow hedge: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction.



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

(iv) Impairment

i) Financial assets

- a) The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

Financial assets that are debt instruments, and are measured at amortized cost wherever applicable for e.g., loans, debt securities, deposits, and bank balance.

- b) Trade receivables

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

ii) Non - financial assets

The company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

Disclosure in accordance with Ind-AS 107 and 113 - Financial Instruments

A) Capital management

The Company manages its capital structure and make adjustments to it, in light of changes in economic condition. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholder, or issue new shares. No changes were made in the objectives, policies and procedures in the past three years.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, borrowings, trade and other payables, other liabilities, less cash and cash equivalents. Capital includes Issued equity capital, securities premium and all other equity reserves attributable to the equity holders.

B) Financial instruments by category

The carrying and fair value of financial instruments by categories as of March 31, 2025 were as follows:

(₹ in Lakhs)

Particulars	March 31, 2025				March 31, 2024			
	Fair value through P&L (FVTPL)	Amortised cost	Total carrying value	Total fair value	Fair value through P&L (FVTPL)	Amortised cost	Total carrying value	Total fair value
Assets :								
Cash cash equivalents	-	11,296.04	11,296.04	11,296.04	-	22,057.47	22,057.47	22,057.47
Other bank balances	-	2,399.12	2,399.12	2,399.12	-	1,147.98	1,147.98	1,147.98

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

(₹ in Lakhs)

Particulars	March 31, 2025				March 31, 2024			
	Fair value through P&L (FVTPL)	Amortised cost	Total carrying value	Total fair value	Fair value through P&L (FVTPL)	Amortised cost	Total carrying value	Total fair value
Investments in Subsidiaries, Associates, Mutual Funds & AIF	17,180.25	9,382.54	26,562.78	26,562.78	-	9,325.21	9,325.21	9,328.37
Trade receivables		38,603.05	38,603.05	38,603.05	-	35,585.75	35,585.75	35,585.75
Other financial assets		10,190.59	10,190.59	10,190.59	-	11,557.23	11,557.23	11,557.23
Total	17,180.25	71,871.33	89,051.58	89,051.58	-	79,673.64	79,673.64	79,676.80
Liabilities :								
Trade payables	-	17,909.93	17,909.93	17,909.93	-	12,873.19	12,873.19	12,873.19
Borrowings	-	4,585.80	4,585.80	4,585.80	-	5,083.70	5,083.70	5,083.70
Lease liability	-	1,668.79	1,668.79	1,668.79	-	491.16	491.16	491.16
Other financial liabilities	-	4,567.69	4,567.69	4,567.69	-	6,415.97	6,415.97	6,415.97
Total	-	28,732.21	28,732.21	28,732.21	-	24,864.02	24,864.02	24,864.02

- C) The following table presents the fair value hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2025 and March 31st 2024.

Fair Value Hierarchy:

(₹ in Lakhs)

Particulars	March 31, 2025			March 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments in Mutual Funds and AIF	15,180.25	-	2,000.00	-	-	-
Total	15,180.25	-	2,000.00	-	-	-

Level 1 - Quoted prices (unadjusted) in the active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

D) Financial risk management

Financial risk factors

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The management reviews and designs policies and procedures to minimise potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The companies exposure to credit risk is influenced mainly by the customers repayments. The companies exposure to liquidity risks are on account of interest rate risk on borrowings. The following sections provide details regarding the companies exposure to the above mentioned financial risks and the management thereof.



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Market risk

The Company operates internationally and a portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services in those countries. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates/ depreciates against these currencies. The company leaves exchange rate risk with regard to foreign exposures unhedged when the local currency is depreciating against the foreign currency and hedges this risk when the local currency is appreciating against the foreign currency. Currently the foreign exchange risk of the company is covered through natural hedge and the Company uses the foreign currency denominated accounts to mitigate the exchange rate variation.

Analysis of foreign currency risk from financial instruments as of March 31, 2025 : Currency in Lakhs

Particulars	U.S. Dollars	Euro	GBP	AED	Total
Trade receivables	82.31	50.59	2.43	-	135.33
Other financial assets	-	-	-	-	-
Trade payables	(39.74)	(0.72)	(0.24)	(0.04)	(40.74)
Other financial liabilities	(2.81)	(2.95)	-	-	(5.76)
Net assets/(liabilities)	39.76	46.92	2.19	(0.04)	88.83

Analysis of foreign currency risk from financial instruments as of March 31, 2024 : Currency in Lakhs

Particulars	U.S. Dollars	Euro	GBP	AED	Total
Trade receivables	49.29	31.38	0.52	-	81.19
Other financial assets	-	-	-	-	-
Trade payables	(11.21)	(2.12)	(0.41)	-	(13.74)
Other financial liabilities	(2.82)	(1.08)	-	-	(3.90)
Net assets/(liabilities)	35.26	28.18	0.11	-	63.55

For the year ended March 31, 2025 and March 31, 2024, the depreciation / appreciation in the exchange rate between the Indian rupee and respective unhedged foreign currency exposures, has resulted in incremental operating margins by approximate ₹1,042.65 lakhs and ₹632.40 lakhs respectively.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹38,603.05 lakhs and ₹35,585.75 lakhs as of March 31, 2025 and March 31, 2024, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and overseas. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the company's historical experience for customers.

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

The following table gives details in respect of percentage of revenues generated from top customer and top five customers :

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Revenue from top customer	6.66%	7.30%
Revenue from top five customers	22.57%	28.53%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2025 was ₹824.83 lakhs. The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2024 was ₹1,065 Lakhs.

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Balance at the beginning	1,065.00	263.99
Lifetime expected credit loss	505.00	955.43
Credit impairment	(745.17)	(154.42)
Balance at the end	824.83	1,065.00

Credit risk on cash and cash equivalents is limited as the company generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies with no history of default.

Liquidity risk

The company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The company also has long term and short term borrowings from banks and financial institutions. Term loans are project specific and for refinancing of capital expenditures. Short term loans repayable on demand from banks are obtained for the working capital requirements of the company.

As of March 31, 2025, the Company had a working capital of ₹88,663.48 lakhs including cash and cash equivalents of ₹11,296.04 lakhs. As of March 31, 2024, the Company had a working capital of ₹73,412.20 lakhs including cash and cash equivalents of ₹22,057.47 lakhs.

As of March 31, 2025 and March 31, 2024, the outstanding gratuity and compensated absences were ₹449.75 lakhs and ₹294.77 lakhs, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of the companies financial instruments will fluctuate because of the change in market interest rates. The company is exposed to interest rate risks as it has significant interest bearing loans from banks and financial institutions. These fluctuations are managed through negotiated and prefixed interest rates on term loans enabling the management to plan its future financial commitments and exposures. Short term and Working capital loans repayable on demand are a subject to prevailing market rate fluctuations and sanctioned facilities are availed on a need to borrow basis to ensure minimum exposure to interest rate fluctuations.



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

11.1 The table below provides details regarding the contractual maturities of significant financial liabilities.

(₹ in Lakhs)

Particulars	< 1 year	1-2 years	> 2 years	Total
As on March 31, 2025				
Trade payables	17,909.93	-	-	17,909.93
Long term borrowings	1,577.67	32.99	8.80	1,619.46
Short term borrowings	2,966.33	-	-	2,966.33
Lease liability	373.52	142.97	1,152.31	1,668.79
Other financial liabilities (excluding borrowings from banks and financial institutions)	4,567.69	-	-	4,567.69
As on March 31, 2024				
Trade payables	12,873.19	-	-	12,873.19
Long term borrowings	1,591.47	1,569.29	23.77	3,184.53
Short term borrowings	1,899.17	-	-	1,899.17
Lease liability	226.24	142.97	121.94	491.16
Other financial liabilities (excluding borrowings from banks and financial institutions)	6,415.96	-	-	6,415.96

Note : 12 Loans (Refer Note No. 42.9)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Loans to related parties (Unsecured, considered good)		
Loan to subsidiary	220.00	220.00
	220.00	220.00

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Type of Borrower	Amount of loan or advance in the nature of loan outstanding	Amount of loan or advance in the nature of loan outstanding
TTL Electric Fuel Private Limited - Subsidiary	220.00	220.00
Percentage to the total loan	100%	100%

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Note: 13 Other financial assets

Accounting policy:

Cash and cash equivalents

The company considers all high liquid investment which are readily convertible into amount of cash that are subject to insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consists of balances with banks which are un restricted for withdrawal and usage.

(₹ in Lakhs)

Non-Current	March 31, 2025	March 31, 2024
Bank deposits (maturity beyond 12 months)		
Fixed deposits	555.93	1,008.34
Margin money deposits	810.25	2,210.40
Security deposits with Government and others	3,837.27	3,735.39
Advances to employees	52.52	15.85
Accumulated Dividend arrears on preference shares receivable	25.56	17.56
Total	5,281.53	6,987.54

Note: 14 Other non- current assets

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Capital advances	3,383.59	176.66
Total	3,383.59	176.66

Note: 15 Inventories

Accounting policy:

Inventories are valued as under:

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



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Raw materials	28,956.84	22,525.77
Stores, spares, process chemicals, fuels & packing material	955.23	949.82
Stock-in-trade (in respect of goods acquired for trading)	1.87	3.18
Material in transit	1,180.10	208.05
Consumable tools	249.25	201.42
Work in progress	15,431.89	10,906.38
Finished goods	5,283.34	8,097.18
Total	52,058.52	42,891.80

Disclosure as per Ind AS - 2 - Inventories

During the year ended March 31, 2025, ₹22.37 lakhs (March 31, 2024, ₹0.16 lakhs) was recognised as an expense in respect of inventories carried at net realisable value and an amount of ₹474 lakhs (previous year ₹263.83 lakhs) writedown on account of obsolescence due to technology change.

Note: 16 Trade receivables

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Unsecured, considered good	38,603.05	35,585.75
Unsecured and having significant credit risk	824.83	1,065.00
	39,427.88	36,650.75
Allowance for credit risk (Refer note no.11 C)	(824.83)	(1,065.00)
Total	38,603.05	35,585.75

Trade receivable ageing schedule

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
As on 31.03.2025						
Undisputed - considered good	36,573.34	1,116.84	826.72	86.15	-	38,603.05
Undisputed - significant increase in credit risk	-	-	-	182.72	642.11	824.83
Undisputed - credit impaired	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed - significant increase in credit risk	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-
	36,573.34	1,116.84	826.72	268.87	642.11	39,427.88
As on 31.03.2024						
Undisputed - considered good	33,483.17	804.38	672.62	625.58	-	35,585.75
Undisputed-significant increase in credit risk	132.45	214.78	44.89	226.16	330.36	948.64
Undisputed - credit impaired	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed-significant increase in credit risk	-	-	-	-	116.36	116.36
Disputed - credit impaired	-	-	-	-	-	-
	33,615.62	1,019.16	717.51	851.74	446.72	36,650.75

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Note: 17

17.1 Cash and cash equivalents

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Balances with banks in current accounts	1,403.53	451.18
Balances with banks in cash credit accounts	4,681.88	3,693.22
Cash on hand	14.58	10.29
Fixed deposits (maturity of less than three months)	5,196.05	17,902.78
Total	11,296.04	22,057.47

17.2 Other bank balances

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Balances with banks in other current accounts	15.38	9.97
Fixed deposits (maturity of between 3-12 months)	334.95	533.03
Margin money deposits	1,980.95	545.10
Dividend account	67.84	59.88
Total	2,399.12	1,147.98

17.3 Financial assets - others (current)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Security deposits with government and others	16.30	71.89
Advances to employees	115.82	81.43
Claims & other receivables (Refer Note No.17.4)	840.67	867.95
Interest accrued but not due on deposits	741.02	569.01
Contract assets	3,195.25	2,979.42
Total	4,909.06	4,569.69

17.4 Claims and other receivables include

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
a) Insurance claim on account of heavy rainfall (Refer Note : 17.5)	95.16	95.16
b) Payments under protest for pending indirect tax litigations	382.96	400.73
c) Other receivables	362.55	372.05
Total	840.67	867.95

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



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Note: 18 Other current assets

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
A) Advances other than capital advances:		
Advances to employees	69.16	72.05
Advances to vendors for supply of goods / services	2,191.89	1,719.74
B) Others:		
Prepaid expenses	318.29	416.77
Export incentives receivable	132.82	32.03
GST/service tax input/VAT receivables	964.92	652.73
Other advances	174.05	204.27
Total	3,851.14	3,097.60

Note: 19 Equity share capital

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Authorised		
31,25,00,000 Equity shares of ₹1 each	3,125.00	3,125.00
(Previous year 31,25,00,000 Equity shares of ₹1 each)		
Issued, subscribed and fully paid-up		
27,71,94,946 Equity shares of ₹1 each	2,771.95	2,771.95
(Previous year 27,71,94,946 Equity shares of ₹1 each)		
Total	2,771.95	2,771.95

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

Equity shares	March 31, 2025		March 31, 2024	
	No. of Shares	Value ₹	No. of Shares	Value ₹
At the beginning of the period	27,71,94,946	2,771.95	27,71,94,946	2,771.95
Additions during the period on account of business combination	-	-	-	-
Deductions during the period on account of business combination	-	-	-	-
Outstanding at the end of the period	27,71,94,946	2,771.95	27,71,94,946	2,771.95

19.2 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.

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

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

(₹ in Lakhs)

Name of the shareholder	March 31, 2025		March 31, 2024	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹1 each fully paid				
Promoter and promoter group				
Aluru Family Pvt Trust - Trustee Kavita Prasad Aluru	14,22,05,858	51.30	14,22,05,858	51.30

19.4 Shares held by promoters at the end of the year

(₹ in Lakhs)

Sl. No.	Promoter name	March 31, 2025		March 31, 2024		% change during the year
		No of shares	% of total shares	No of shares	% of total shares	
1	Dr. A J Prasad	26,92,827	0.97	26,92,827	0.97	-
2	A Uma Devi	9,50,397	0.34	9,50,397	0.34	-
3	M S S Srinath	19,56,920	0.71	19,56,920	0.71	-
4	Kavita Prasad	97,88,386	3.53	97,88,386	3.53	-
5	M Advay Bhagirath	39,17,600	1.41	39,17,600	1.41	-
6	M Deeksha	20,87,187	0.75	20,87,187	0.75	-
7	Aluru Family Pvt Trust - Trustee Kavita Prasad Aluru	14,22,05,858	51.30	14,22,05,858	51.30	-
8	Mikkilineni Family Pvt Trust - Trustee Kavita Prasad Aluru	2,53,134	0.09	2,53,134	0.09	-
Total		16,38,52,309	59.11	16,38,52,309	59.11	-

Note: 20 Other equity - (refer statement of changes in equity)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Capital reserve	1.02	1.02
Capital redemption reserve	2.70	2.70
Investment subsidy from state government	55.77	55.77
Securities premium	23,010.66	23,010.66
General reserve	32,272.35	32,272.35
Retained earnings (balance of surplus in the statement of changes in equity)	87,717.94	62,419.88
	1,43,060.44	1,17,762.38

Note: 21 Non- current - financial liabilities

21.1 Borrowings (Refer Note No.35)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Term loans from banks (secured)		
Axis Bank Ltd	-	1,500.00
HDFC Bank Ltd. - against vehicles	41.79	93.06
Total	41.79	1,593.06



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

21.2 Lease liability (Refer Note No. 9)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Lease liability	1,295.28	264.91
Total	1,295.28	264.91

21.3 Current - financial liabilities

Borrowings (current maturities) (Refer Note No.35)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Long term debt from banks (secured)		
Axis Bank Ltd	1,500.00	1,500.00
HDFC Bank Ltd. - against vehicles	77.67	91.47
Total	1,577.67	1,591.47

21.4 Current maturities of long term debt

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

21.5 Term loans :

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

a) Term loan from Axis :

AXIS Bank sanctioned term loan of ₹7,500 lakhs for refinancing the capital expenditure of the Company. The loan is secured by a first Paripassu charge on present and future assets (movable or immovable) of the company alongwith other term lenders.

(₹ in Lakhs)

Name of the bank	Loan amount drawn	No of instalments	% of interest	Outstanding as on March 31, 2025
Axis Bank	7,295	20 (QTLY) commencing from Sep 23	8.50	1,500

b) HDFC Bank - vehicle loan

The term loans are secured by exclusive hypothecation of vehicles acquired through execution of demand promissory notes and are repayable by equated monthly installments (EMIs') as per the loan schedule sanctioned by the bank.

21.6 As on the balance sheet date, there were no continuing defaults in repayment of borrowings and interest.

21.7 The company has utilized the borrowings from banks and financial institutions for the specific purpose for which it was taken.

21.8 In respect of borrowings from banks and financial institutions, the Quarterly returns or statements of current assets filed by the company are in agreement with the books of accounts.

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Note: 22

22.1 Provisions (non - current)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Provision for employee benefits (Refer Note No. 34)		
Provision for earned leave encashment	347.15	251.82
Other Provisions:		
Provision for warranties (Refer Note No. 42.1)	3,149.92	3,002.17
Provision for EPR expenses (Refer note no.38.3)	367.77	-
Total	3,864.84	3,253.99

22.2 Provisions (current)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Provision for employee benefits (Refer Note No. 34)		
Provision for earned leave encashment	72.85	88.18
Provision for gratuity*	29.75	-
Other provisions		
Provision for warranties (Refer Note No. 42.1)	1,996.24	1,750.50
Provision for EPR expenses (Refer note no.38.3)	622.63	-
Provision for commission on profits to director	1,894.71	1,905.63
Total	4,616.17	3,744.31
*Present value of obligation	2,897.51	2,570.23
Fair value of plan asset	2,867.76	2,597.01
Short fall provided for	29.75	(26.78)

Note: 23 Deferred tax liability (net) (Refer Note No.40)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Deferred tax liability (as per last balance sheet)	789.49	1,026.66
Add: Deferred tax (asset)/liability for the year	193.62	(237.17)
Total	983.11	789.49

Note: 24 Borrowings (Refer Note No.35)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
A) Loans repayable on demand from banks (secured)		
State Bank of India	-	-
ICICI Bank Ltd	-	-
Axis Bank Ltd	-	-
Total (A)	-	-
B) Other loans from banks (unsecured)		
Purchase bill discounting from Kotak Mahindra Bank Ltd	-	1,057.37
Purchase bill discounting from Axis Bank Ltd	1,139.90	575.48
Purchase bill discounting from ICICI Bank Ltd	1,826.43	266.33
Total (B)	2,966.33	1,899.17



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

	March 31, 2025	March 31, 2024
C) Current maturities of long-term debt(refer note - 21.3)	1,577.67	1,591.47
Total (C)	1,577.67	1,591.47
Total (A + B + C)	4,544.01	3,490.64

24.1 Working capital loans

- The unutilised demand loans from Banks are secured by a first charge on all the chargeable current assets and by a second charge on the property, plant and equipment (both present and future) of the Company. All the loans are guaranteed by some of the promoters in their personal capacity.
- The Company received sanction from ICICI Bank and Axis bank amounting ₹375 cr consisting fund based limit of ₹350 cr and non fund based limits of ₹25 cr for execution of specific order for locomotive Kavach received from Chittaranjan Locomotive works (CLW). The demand loans are secured by a exclusive first charge on the chargeable current assets/cash inflows of CLW order. Company has not utilised fund based limits as on 31.03.2025

24.2 Purchase bill discounting from Axis Bank Ltd. is guaranteed by some of the promoters in their personal capacity and undated cheque of the Company equivalent to limit/standing instructions for making payment on due date. Purchase bill financing from ICICI Bank Ltd are unsecured and irrevocable mandate provided to bank for debiting to ICICI Bank cash credit account held with the bank on the relevant due dates.

Note: 25 Lease liability (Refer Note No. 9)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Lease liability	373.52	226.24
	373.52	226.24

Note: 26 Trade payables (Refer Note No. 11)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Total outstanding dues of :		
(a) Micro enterprises and small enterprises (MESE)	1,481.40	1,492.61
(b) Creditors other than micro enterprises and small enterprises	16,428.53	11,380.58
Total	17,909.93	12,873.19

26.1 Trade payable aging schedule

(₹ in Lakhs)

Particulars	Outstanding for following periods from the date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31.03.2025					
(i) MSME	1,481.40	-	-	-	1,481.40
(ii) Others	14,588.74	621.45	5.05	33.19	15,248.43
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
(v) Liability for materials	1,180.10	-	-	-	1,180.10
Total	17,250.24	621.45	5.05	33.19	17,909.93

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Particulars	Outstanding for following periods from the date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31.03.2024					
(i) MSME	1,491.35	-	-	-	1,491.35
(ii) Others	11,116.27	26.98	2.55	26.72	11,172.52
(iii) Disputed dues- MSME	-	-	-	1.27	1.27
(iv) Disputed dues- Others	-	-	-	-	-
(v) Liability for materials	208.05	-	-	-	208.05
Total	12,815.67	26.98	2.55	27.99	12,873.19

26.2 Details relating to micro, small & medium enterprises:

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier at the year end:		
Principal amount	1,481.40	1,492.61
Within due date	1,481.40	1,492.61
Beyond due date	-	-
Interest	-	-
The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day		
Principal amount	-	-
Interest	-	-
The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	-	-
The amount of interest accrued and remaining unpaid	-	-

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

Note: 27 Other financial liabilities - current (Refer Note No. 11.1)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Unpaid/unclaimed dividends (refer note - 27.1)	67.84	59.88
Trade deposits	146.47	151.53
Creditors for capital expenditure	430.03	183.56
Invoice mart payable	1,143.43	2,023.72
Statutory dues	748.79	1,754.49
Directors' current account	130.12	34.55
Accrued compensations to employees	1,901.01	2,208.23
Total	4,567.69	6,415.97



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

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

Note: 28 Other current liabilities

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Advances against sales	5,564.17	4,796.52
Contract liabilities	1,814.02	2,440.02
Accrued expenses	1,980.11	1,167.32
Total	9,358.30	8,403.87

Note: 29 Current tax liabilities (net)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Provision for income tax	21,703.80	12,503.80
Advance payment of income tax (including TDS)	21,348.49	11,717.34
Total	355.31	786.46

Note: 30 Revenue recognition

Accounting policy:

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

Performance obligations that are not satisfied over time are treated as performance obligations satisfied at a point in time which in case of goods are upon their despatch/delivery to domestic customers as per terms of sale and on the basis of proof of export/delivery for export customers as per terms of sale and in case of services are upon completion of service.

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Disclosure as per Ind AS -115 - Contracts with customers

A) De-segregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major segment product and geographical regions: (₹ in Lakhs)

Particulars	Battery		Electronics & Others		Total
	Within India	Outside India	Within India	Outside India	
March 31, 2025					
Revenue from customers					
Timing of revenue recognition					
(a) At a point in time	1,02,956.99	35,289.63	26,305.73	9,890.04	1,74,442.39
(b) Over time	-	-	20,170.86	-	20,170.86
Total	1,02,956.99	35,289.63	46,476.59	9,890.04	1,94,613.25
March 31, 2024					
Revenue from customers					
Timing of revenue recognition					
(a) At a point in time	1,14,002.40	18,883.31	46,833.14	9,764.98	1,89,483.83
(b) Over time	-	-	31,375.59	-	31,375.59
Total	1,14,002.40	18,883.31	78,208.73	9,764.98	2,20,859.42

Customer category wise disaggregation

(₹ in Lakhs)

Particulars	March 31, 2025		March 31, 2024	
	Battery	Electronics & Others	Battery	Electronics & Others
Revenue from customers				
Railways	28,605.57	24,348.10	16,658.63	38,308.91
Telecom/Industry	73,290.17	7,354.76	96,521.95	15,125.12
Defence	1,061.25	14,773.73	536.39	25,060.14
Exports	35,289.63	9,890.04	18,883.30	9,764.98
Total	1,38,246.62	56,366.63	1,32,600.27	88,259.15

B) Contract balances

The following table provides information about trade receivables, contracts assets, and contract liabilities from contracts with customers. (₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Receivables	39,251.29	38,565.17
Contract assets	3,195.25	2,979.42
Contract liabilities:		
Advance from customers	5,564.17	4,796.52
Unearned and deferred revenue	1,814.02	2,440.02

There are no significant changes on account of business combinations, transition adjustments or changes in time frame for a, right to consideration / performance obligation.



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Movement in advances from customers

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Opening Balance	4,796.52	2,389.70
Received during the year	38,959.43	38,721.27
Revenue recognised / Adjusted	(38,191.78)	(36,314.45)
Closing Balance	5,564.17	4,796.52

There are no significant items of revenue to be recognised against performance obligation satisfied in previous year due to change in transaction price.

Timing of satisfaction of performance obligations

For each performance obligation satisfied over time the company recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The objective when measuring progress is to depict the company's performance in transferring control of goods or services promised to a customer (ie the satisfaction of an entity's performance obligation).

The right to payment for performance completed to date does not need to be for a fixed amount. However, at all times throughout the duration of the contract, the company is entitled to an amount that at least compensates for performance completed to date if the contract is terminated by the customer or another party for reasons other than the company's failure to perform as promised.

Output method is used for measurement where the units produced or units delivered faithfully depict the company's performance in satisfying a performance obligation and, at the end of the reporting period, the company's performance has produced work in progress or finished goods that are not controlled by the customer.

Input method is used to recognise revenue where the company's efforts or inputs in satisfaction of a performance obligation (for example, resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) is relative to the total expected inputs to the satisfaction of that performance obligation and depict the company's performance in transferring control of goods or services to the customer.

C) Movement in provisions on account of impairment and credit loss

(₹ in Lakhs)

Provision movement	March 31, 2025		March 31, 2024	
	Trade receivables	Contract assets	Trade receivables	Contract assets
Opening balance	1,065.00	-	263.99	-
Add: Additions / expected lifetime credit loss	505.00	-	955.43	-
Less: Write off / impairment	745.17	-	154.42	-
Less: Reversal	-	-	-	-
Closing balance	824.83	-	1,065.00	-

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Revenue from operations		
a) Sale of products	1,69,042.14	1,85,149.95
b) Sale of traded goods	1.98	21.32
c) Sale of services	24,216.55	34,497.99
d) Other operating revenue - sale of scrap	1,352.57	1,190.16
Total	1,94,613.25	2,20,859.42

Note: 31 Other income

Accounting policy:

- Claims against outside agencies are accounted for on certainty of realization.
- Interest income is recognized on an accrual basis using the effective interest rate (EIR) method. Dividends, are recognized at the time the right to receive is established.
- Export incentives under various schemes are recognized as income on certainty of realization.
- Foreign currency transactions
 - Transactions relating to non-monetary items and purchase and sale of goods/services denominated in foreign currency are recorded at the prevailing exchange rate or a rate that approximates to the actual rate on the date of transaction.
 - Assets & liabilities in the nature of monetary items denominated in foreign currencies are translated and restated at exchange rates prevailing at the end of the reporting period.
 - Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognized as expense or income in the period in which they occur. Foreign currency gains and losses are reported on a net basis.

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
a) Interest income		
Interest received on deposits with banks/others	1,145.13	642.95
Interest on IT refunds	34.29	11.95
b) Other non-operating income (net of directly attributable expenses)		
Exchange gains	1,042.65	632.40
Income received on Investments (Refer note no.10.3)	137.08	-
Miscellaneous income (including gain / loss on termination / modification of leases)	319.63	378.11
Total	2,678.78	1,665.41



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Disclosure as per Ind AS -21 - The effects of changes in foreign exchange rates

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Exchange differences arising out of settlement / translation on account of:		
a) Exports	702.55	258.72
b) Imports	357.07	380.50
c) Others	(16.97)	(6.82)
Net gain (loss) recognised during the year	1042.65	632.40

Note: 32 Cost of material consumed

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Opening stocks	22,525.77	18,914.60
Purchases, material, components & consumables	1,05,271.77	1,23,910.77
	1,27,797.54	1,42,825.37
Less : Closing stocks	28,956.84	22,525.77
	98,840.70	1,20,299.60
Less : Internal capitalisation	1.68	-
Cost of material consumed	98,839.02	1,20,299.60

Note: 33 (Increase) / decrease in inventories of finished goods, stock-in-trade and work-in-progress (Refer Note No.15)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
a) Manufactured goods		
i) Opening stocks		
a) Semi finished goods	10,906.38	7,553.36
b) Finished goods	8,097.18	5,433.98
Total (A)	19,003.56	12,987.34
ii) Closing stocks		
a) Semi finished goods	15,431.89	10,906.38
b) Finished goods	5,283.34	8,097.18
Total (B)	20,715.23	19,003.56
(Increase) / Decrease (C = A - B)	(1,711.67)	(6,016.22)
b) Traded Goods		
Opening stock of traded goods	3.18	18.32
Closing stock of traded goods	1.87	3.18
(Increase) / Decrease (D)	1.31	15.15
(Increase) / Decrease in inventory (C+D)	(1,710.36)	(6,001.08)

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Note: 34 Employee benefits

Accounting policy:

i) Short term benefits:

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

ii) Post-employment benefits:

A) Defined contribution plans:

The contribution paid/payable under provident fund scheme, ESI scheme and employee pension scheme is recognised as expenditure in the period in which the employee renders the related service.

B) Defined benefit plans:

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

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

iii) Long term employee benefits:

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

iv) Disclosure as per Ind AS-19 -Employee benefits

a) Defined contribution plan:

Contribution to defined contribution plan, recognised as expense for the year are as under: (₹ in Lakhs)

	March 31, 2025	March 31, 2024
Employer's contribution to PF/ESI/ pension plan	978.11	787.09

b) Defined benefit plan:

(i) Gratuity obligation of the Company :

To cover the employer's obligation towards gratuity, under the Payment of Gratuity Act, the Company has obtained actuarial valuation of the said liability. As per the valuation made under Projected Unit Credit (PUC) method by the Actuary, the fund required to be maintained, to cover the present value of past service benefit and current service cost, is fully funded/provided for by the Company. To meet the actual liability, the company has taken a group gratuity policy of the LIC of India and to keep the policy alive, the Company also paid the annual risk premium and recognised it as expense for the year.



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Assets and liability (balance sheet position)

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Present value of obligation	2,897.51	2,570.23
Fair value of plan assets	2,867.76	2,597.01
Surplus / (deficit)	(29.75)	26.78
Effects of asset ceiling, if any	-	-
Net asset/(liability)	(29.75)	26.78

Expense recognized during the period (including premium paid)

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
In income statement (P&L a/c-expense provision)	259.18	193.47
In other comprehensive income (B/sheet item)	88.79	226.18

Actuarial valuation method

The valuation has been carried out using the PUC method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost and, where applicable, past service cost.

The benefits valued

The benefit valued in this report are summarised below:

Type of plan	Defined benefit
Employer's contribution	100%
Employees' contribution	Nil
Salary for calculation of gratuity	Last drawn salary
Normal retirement age	58
Vesting period	5 Years
Benefit on normal retirement	Same as per the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time).
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service upto the date of exit.
Benefit on death in service	Same as normal retirement benefit and no vesting period condition applies.
Limit	₹25,00,000
Gratuity formula	$(15/26) \times \text{last drawn salary} \times \text{number of completed years}$

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Effect of any amendments, curtailments and settlements - not applicable in this case.

Explanation of amounts in financial statements

Changes in the present value of obligation

(₹ in Lakhs)

Particulars	For the period ending	
	March 31, 2025	March 31, 2024
Present value of obligation as at the beginning	2,570.23	2,174.39
Current service cost	212.07	185.03
Interest expense or cost	173.90	154.11
Actuarial (gains) / loss on obligations	113.32	207.51
Past service cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits paid	(172.01)	(150.81)
Acquisition adjustment	-	-
Effect of business combinations or disposals	-	-
Present value of obligation as at the end	2,897.51	2,570.23
Bifurcation of net liability		
Current liability (short term)	593.96	472.00
Non-current liability (long term)	2,303.55	2,098.23
Net liability	2,897.51	2,570.23

Changes in the fair value of plan assets

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Fair value of plan assets as at the beginning	2,597.01	1,903.51
Acquisition adjustment	(3.62)	(14.82)
Expected return on plan assets	166.85	160.55
Contributions	255.00	717.25
Benefits paid	(172.01)	(150.81)
Actuarial gain/(loss) on plan assets	24.53	18.67
Fair value of plan assets as at the end	2,867.76	2,597.01

Other comprehensive income

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Actuarial (gains) / losses - change in demographic assumptions	-	-
Actuarial (gains) / losses - change in financial assumptions	-	-
Actuarial (gains) / losses - experience variance	-	-
Actuarial (gains) / loss on obligations	113.32	207.51
Actuarial (gains) / loss on plan assets	(24.53)	18.67
Total other comprehensive income(OCI)	88.79	226.18



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

(ii) Long term compensated absences - leave encashment:

The present value of obligation for long term compensated absences is determined on actuarial valuation using PUC method and is charged to Profit and Loss account. The obligation is not funded.

Assets and liability (balance sheet position)

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Present value of obligation	419.84	335.48
Fair value of plan assets	-	-
Surplus / (deficit)	(419.84)	(335.48)
Effects of asset ceiling, if any	-	-
Net asset/(liability)	(419.84)	(335.48)
Expense recognized during the period		

Particulars	March 31, 2025	March 31, 2024
In Income statement (P&L--expense provision)	244.66	142.64
Current service cost	65.14	45.09

Actuarial valuation method

The valuation has been carried out using the Project Unit Credit (PUC) method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost and, where applicable, past service cost.

The benefits valued

The benefit valued in this report are summarised below:

Type of plan	Long term benefit
Employer's contribution	100%
Employees' contribution	NIL
Salary for calculation of leave encashment benefit	Last drawn salary
Normal retirement age	58
Vesting period	Not applicable
Benefit on normal retirement	Leave Salary (Gross Salary) subject to a maximum of 30 days' salary
Benefit on early retirement / termination / resignation / withdrawal	As above
Benefit on death in service	As above
Limit	Yes
Benefit formula	No. of days' leave encashable x last drawn salary

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Changes in the present value of obligation

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Present value of obligation as at the beginning	335.48	264.66
Current service cost	65.14	45.09
Interest expense or cost	17.87	16.79
Actuarial (gain)/ loss on obligations	161.65	80.76
Past service cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits paid	(160.30)	(71.82)
Acquisition adjustment	-	-
Effect of business combinations or disposals	-	-
Present value of obligation as at the end	419.84	335.48

Bifurcation of net liability

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Current liability (short term)	72.85	88.18
Non-current liability (long term)	346.99	247.30
Net liability	419.84	335.48

Employee benefits expense:

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Salaries & bonus	12,281.35	10,842.68
Contribution to provident & other funds	965.64	778.92
Gratuity	259.18	193.47
Staff welfare expenses	1,371.96	1,086.94
Recruitment & training	33.39	26.18
Remuneration to directors:		
Salaries & allowances	164.97	108.06
Contribution to provident fund	12.47	8.16
Commission on profits	1,894.71	1,905.63
Directors sitting fees	12.25	4.90
Total	16,995.93	14,954.95



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Note: 35

Accounting policy:

Borrowing costs

- i) Borrowing costs incurred for obtaining assets which take substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets.
- ii) Other borrowing costs are treated as expense for the year.
- iii) Significant transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest rate (EIR) method.

Disclosure as per Ind AS - 7

Statement of reconciliation for changes in liabilities arising from financing activities.

(₹ in Lakhs)

	Long-term borrowings	Working capital borrowings
Opening balance	3,184.53	1,899.17
Borrowed during the year	27.41	-
Repaid during the year	(1,592.48)	-
Net movement	1,619.46	1,067.16
Closing balance	1,619.46	2,966.33

Finance cost

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Interest on term loans	212.87	663.06
Interest on bank borrowings	111.00	114.32
Interest on vehicle loans	14.10	15.64
Interest on lease liability	80.40	66.29
Interest - others	195.74	18.27
Bank charges & commission	561.69	421.26
	1,175.80	1,298.84
Less: Transfers to pre-operative expenses	-	56.94
Total	1,175.80	1,241.89

Note: 36 Depreciation and amortization expense

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Depreciation on tangible assets	3,554.35	3,141.29
Amortisation on intangible assets	432.46	603.02
Amortisation on right of use assets	256.90	196.43
Total	4,243.72	3,940.74

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Note: 37 Works contract expenses

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Works contract expenses	4,972.24	14,254.94
	4,972.24	14,254.94

Note: 38

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
A) Manufacturing expenses		
Stores & spares consumed	2,170.62	1,918.73
Equipment lease rentals	39.21	104.15
Consumption of Consumable tools	206.77	165.47
Contract wages	11,377.45	10,600.99
Testing charges	271.91	227.82
Power and fuel	6,590.86	6,216.66
	20,656.83	19,233.82
B) Administrative expenses		
Rent	154.16	141.76
Rates, duties & taxes	436.68	485.15
Insurance	424.63	434.93
Professional & consultancy charges	1,480.37	1,495.52
Expenditure incurred on corporate social responsibility activities	417.80	178.94
Repairs and maintenance	2,129.42	1,783.25
Travelling and conveyance	1,566.05	1,542.60
Sundry expenses	1,183.10	1,063.17
Payments to auditors	53.00	53.00
Audit expenses	13.43	8.75
Loss on fair value change in Investment	72.66	-
Advances & deposits written off	28.10	174.20
	7,959.40	7,361.28
C) Selling expenses		
Freight & insurance on sales	3,833.13	4,663.16
Commission on sales	697.47	358.41
Reversal of credit impaired	(43.00)	-
Lifetime expected credit loss (refer note: 30.c)	505.00	955.43
Provision for warranties (refer note no.38.2)	393.50	1,550.06
Provision for EPR expenses (refer note no. 38.3)	1,089.89	-
Installation charges paid	693.52	789.08
Televan hire charges	-	0.01
Other selling expenses	692.84	570.01
Total	7,862.36	8,886.16



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

38.1 Details of payments to auditor towards :

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Audit fee	35.00	35.00
Certification fee	18.00	18.00
	53.00	53.00

38.2 Provision for warranties:

During the year, there is reduction in supplies to telecom companies which in the past had a higher warranty/replacement provision. Hence, the provision is lower compared to previous year.

38.3 Provision for extended producer responsibility:

Pursuant to the notification dated 22nd August, 2022 issued by Ministry of Environment, Forest & Climate change under the Battery waste management rules, 2022, the Company has the obligation of Extended Producer Responsibility (EPR) to meet the collection and recycling and/or refurbishment of certain percentage of the quantity of batteries placed in the market. The recovery of the minimum percentage is the percentage of total weight of all recovered materials out of dry weight of the batteries. It also has the obligation to the minimum use of the domestically recycled materials in the new battery. The Company can discharge the obligation by purchasing the EPR certificates from the recycler or refurbish player. In accordance with the regulations, the Company has made provision for the percentage of quantities placed for the period up to 31st March 2025. The obligation was discounted, and the net present value of the obligation worked out to ₹1,089.89 lakhs, of which the company purchased EPR certificates worth ₹99.50 lakhs.

Note: 39 Exceptional items of (income)/expenditure

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Loss on fire accident	-	48.34
Impairment / diminution In value of investments (Refer Note No. 10.3)	62.68	300.00
(Profit)/loss on sale of assets	(8.77)	10.49
(Profit)/Loss on sale and exchange of land	(15.49)	(4.31)
Assets written off	85.05	2,686.09
Other liabilities written back	-	(223.35)
	123.46	2,817.25

Note: 40 Current tax and deferred tax

Accounting policy:

i) Taxation

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

ii) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profits differ from the profit as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are not taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted upto the end of the reporting period.

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

iii) Deferred tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

iv) Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Income tax and Sales tax assessments:

Income tax:

Taxes were paid in accordance with income tax returns filed and were charged off to revenue. In respect of pending assessments, the liability, if any, that may arise upon completion of assessments is not ascertainable at this stage. During the year, in the income tax assessments, there were no transactions that were not recorded in the books of accounts but have been surrendered or disclosed as income.

Sales tax:

The Company has paid/provided for VAT/CST as per the records and returns filed upto December 31, 2017 after considering the input VAT on purchases and also on the basis of concessional forms expected to be received from customers. The related assessments for various years are pending at various stages in different states. The liability, if any, in respect of such pending assessments is not ascertainable at this stage.



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Disclosure as per Ind AS -12 - Income tax

- a) **A Reconciliation of the Income tax provision to the amount computed by applying the statutory income tax rate to the Income before income tax is summarized as follows:** (₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Profit before tax excluding profit on sale of land and after other comprehensive income	35,994.67	35,286.54
Profit on sale of land	15.49	4.30
Income received on Mutual funds	67.48	
Profit before tax after other comprehensive income	36,077.64	35,290.84
Enacted tax rates (%)		
On Business income	25.17%	25.17%
On Capital gains	25.17%	25.17%
Computed expected tax expense	9,080.02	8,882.00
Tax effect due to non-taxable income	(6.11)	(1.08)
Tax reversals	(226.09)	(44.92)
Tax effect due to non-deductible expenses	409.31	1,092.07
Tax effect on others	(57.14)	(548.06)
Income tax expense	9,200.00	9,380.00
Effective tax rate %	25.50	26.58

- b) **Details of income tax assets and income tax liabilities are as follows:** (₹ in Lakhs)

	March 31, 2025	March 31, 2024
Advance tax / TDS	21,348.49	11,717.34
Provision for income tax	21,703.80	12,503.80
Asset / (liability)	(355.31)	(786.46)

- c) **The gross movement in the current income tax asset / (liability) is as follows:** (₹ in Lakhs)

	March 31, 2025	March 31, 2024
Net current income tax asset / (liability) at the beginning	(786.46)	300.86
Add : income tax paid / adjusted (net of refund received)	9,631.15	8,292.68
Less : provision for current tax	9,200.00	9,380.00
Net current income tax asset / (liability) at the end	(355.31)	(786.46)

- d) **The tax effects of significant temporary differences that resulted in deferred income tax asset and liability are as follows:** (₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Deferred tax liability		
Property, plant and equipment	1,296.41	1,142.13
Total	1,296.41	1,142.13
Deferred tax asset		
Leave encashment	105.71	85.57
Provision for doubtful debts	207.59	267.07
Total	313.30	352.64
Deferred tax liability after set off of deferred tax asset	983.11	789.49

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

e) The gross movement in the deferred income tax account is as follows:

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Net deferred tax liability at the beginning	789.49	1,026.66
Credit / (charge) relating to temporary differences	193.62	(237.17)
Net deferred income tax liability at the end	983.11	789.49

Note: 41 Earnings Per Share (EPS)

Accounting policy:

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

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

	Computation of EPS (Basic & Diluted)	
	March 31, 2025	March 31, 2024
Profit before OCI	26,750.47	26,378.99
Profit after OCI	26,684.03	26,209.73
No. of shares (basic)	27,71,94,946	27,71,94,946
No. of shares (diluted)	27,71,94,946	27,71,94,946
EPS Before OCI		
Basic ₹	9.65	9.52
Diluted ₹	9.65	9.52
EPS after OCI		
Basic ₹	9.63	9.46
Diluted ₹	9.63	9.46

Note: 42 Other Disclosure as per schedule III of the act and Ind AS:

42.1 Movement of warranties provisions:

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
a) the carrying amount at the beginning of the period	4,752.67	3,202.61
b) additional provisions made in the period, including increases to existing provisions	3,109.36	4,325.75
c) amounts reversed on completion of warranty period	(2,776.62)	(2,257.76)
d) unused amounts reversed during the period	-	-
e) the increase during the period in the discounted amount arising from the passage of time and the effect of any change in the discount rate.	60.75	(517.93)
f) the carrying amount at the end of the period ;	5,146.16	4,752.67



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Unused amounts of provision for warranties represents provision reversed from the opening balance (after warranty period). It is expected that provision for warranties will be incurred in the next 12 to 96 months. Actual expenditure incurred during warranty period towards replacements etc. is charged off under respective heads of expenditure.

42.2 Contingent liabilities not provided for and commitments:

All known and undisputed claims and liabilities where there is a present obligation as a result of past events and it is probable that there will be an outflow of resources, have been duly provided for. The contingent liabilities and commitments are as under:

(₹ in Lakhs)

Nature of contingent liability	March 31, 2025	March 31, 2024
i) Contingent liabilities not provided for:		
a) Claims against the Company not acknowledged as debts towards :		
Excise duty	2,169.92	2,472.78
Sales tax [#]	673.91	690.52
Custom duty [#]	488.70	488.70
Service Tax [#]	194.90	194.90
Goods and service tax [#]	66.97	38.98
Property tax	242.03	242.03
Fuel surcharge adjustment	295.04	224.23
Erstwhile promoters of SCIL Infracon Private Limited*	542.04	542.04
Others	324.53	244.92
b) Un-expired guarantees issued on behalf of the Company by banks for which the Company gave counter guarantees	20,709.17	16,695.89
Corporate guarantee given to bank on behalf of subsidiary in respect of loan taken by them	1,271.00	1,271.00
ii) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	6,812.78	1,493.91

[#]Company made deposit of ₹224.88 lakhs against these contingent liabilities.

*The erstwhile promoters of M/s. SCIL Infracon Private Limited filed a petition with the Sole Arbitrator making several new claims against the Company and others. The Arbitration award allowed, only one claim of theirs, relating to Unsecured Loans of ₹208 lakhs to be paid along with interest of 12% p.a., effective from 31.01.2011 till the date of the payment. On an appeal preferred by the Company against the arbitral award, the Hon'ble Civil Court granted stay on the operation of the award on condition of depositing 50% of the amount awarded with interest till date of the order. The Company deposited the 50% amount along with interest amounting to ₹271.02 lakhs on 17th April 2023 in compliance of the Hon'ble Civil Court's order as modified by the Hon'ble High Court. However, the appeal against the arbitral award is yet to be decided by the Hon'ble Civil Court and the matter is still sub-judice. The company's legal counsel, based on the facts of the case, opined that the claim is not admissible and is likely to be dismissed by the Hon'ble City Civil Court. Based on the above facts, the claim is not acknowledged as debt against the company and is appropriately reported as a contingent liability.

The Company has other commitments, for purchase / sale orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits in the normal course of business. The company does not have any long term commitments or material non-cancellable contractual commitments / contracts, which might have material impact on the financial statements.

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

42.3 Commitment towards dividend

The Board in its meeting held on May 24, 2025 has recommended a dividend of ₹1/- per Equity Share of ₹1/- each for the financial year ended March 31, 2025. The proposal is subject to the approval of shareholders at the annual general meeting to be held, and if approved would result in a cash outflow of ₹2,771.95 lakhs towards dividend.

42.4 Contingent assets:

During the year 2011, some assets at one of the plants of the Company, were damaged due to heavy rains. The Company's claim for the loss was repudiated by the insurers. A case was filed for recovery of the claim of ₹234.60 lakhs towards loss suffered apart from interest thereon. The matter is sub judice.

During the year 2014, there was a heavy damage to the assets and inventory at two plants of the Company, due to hud-hud cyclone. The Company's claim for the resultant losses was partly allowed by the Insurers and the balance claims were repudiated. The matter relating to the claim of ₹400 lakhs towards damage to assets and inventory and ₹921.75 lakhs towards loss of profits, apart from interest thereon, on being referred to arbitration was partly awarded infavour of the company. Subsequently on an appeal by the insurer further proceedings of arbitration were stayed by the commercial Court. The matter is sub judice.

42.5 Confirmation of balances

The Company had sent letters seeking confirmation of balances to various parties under trade payables, trade receivables, advance to suppliers and others and advance from customers. Based on the confirmations received and upon proper review, corrective actions have been initiated and the amounts have been trued up, accounting adjustments have been made wherever found necessary. Such confirmations are awaited from some parties, comprising of government departments and public sector undertakings.

42.6

In the opinion of the board, assets other than fixed assets and non-current investments have a value, on realisation in the ordinary course of business, which is at least equal to the amount at which they are stated in the financial statements.

42.7 Relationship with Struck off Companies:

The Company has engaged services of third party to carry out the exercise of machine matching of the names of its active customers/vendors with the list of "Struck Off companies" hosted in the MCA website. There are no reportable cases for the reporting period.



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

42.8 Disclosure on ratios

Sl. No.	Ratio	Numerator	Denominator	Current reporting period	Previous reporting period	Variation	Reasons
				Ratio	Ratio		
1	Current ratio	Current assets	Current liabilities	2.90	3.04	-4.55%	
2	Debt equity ratio	Total debt	Shareholder's equity	0.04	0.05	-7.27%	
3	DSCR	Earnings available for debt service [§]	Debt Service [#]	10.51	3.45	205.18%	Improved profitability and lower debt
4	Return on equity	Net profit after tax	Average shareholder's equity	0.20	0.24	-17.40%	
5	Inventory turnover	Net sales	Average inventory	4.10	5.81	-29.46%	Reduced turnover and increased inventory levels
6	Trade receivable turnover	Net sales	Average trade receivables	5.25	6.23	-15.77%	
7	Trade payable turnover	Purchases	Average trade payables	6.84	11.00	-37.82%	Enhanced credit periods
8	Net capital turnover	Net sales	Working capital	2.45	3.14	-21.92%	
9	Net profit ratio	Net profit after tax	Net Sales	13.71	11.87	15.54%	
10	Return on capital employed	Earning before interest and taxes	Capital employed*	24.34	28.79	-15.46%	
11	Return on investment	Time weighted rate of return	-	-	-	-	
	Subsidiaries	-	-	Nil	Nil	ROI for investments in unquoted/ unlisted subsidiaries is not computed since there are no cash flows from such investments and the market value of the investment could not be ascertained in the absence of comparative data	
	Quoted Investment	Income generated from Investments	Weighted investments carried at fair value	(0.05)	Nil	-	
	Unquoted investment	-	-	Nil	Nil	-	

[§]Earnings available for debt service Net profit after taxes + depreciation + amortisation + Interest + Other adjustments like loss/(profit) on sale of fixed assets, assets written off etc.,

[#]Debt service Interest and lease payments + Principal repayments of term loans

*Capital employed Tangible Net worth + Total Debt + Deferred Tax Liability

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

42.9 Disclosure as per Ind AS– 24 - Related party disclosures

1	Subsidiaries	SCIL Infracon Private Limited HBL Germany, GMBH HBL America, INC Torquedrive Technologies Private Limited (TTL) HBL TONBO Private Limited TTL Electric Fuel Private Limited (EFL)	
2	Associate	Naval Systems & Technologies Private Limited Tonbo Imaging India Private Limited	
3	Investee Company	Tonbo Imaging Pte Ltd, Singapore	
4	Key Management Personnel	Dr A J Prasad Kavita Prasad Aluru M S S Srinath M Advay Bhagirath M Deeksha Sairam Edara GBS Naidu	Chairman & Managing Director Director Whole-Time Director w.e.f 27.05.2024 Non-Excutive Director up to 04.11.2024 Non-Excutive Director Chief Financial Officer Company Secretary
		Non-Executive Directors	
		P. Ganapathi Rao	Independent Director up to 13.11.2024
		Preeti Khandelwal	Independent Director up to 13.11.2024
		K Venkat Sriram	Independent Director
		Richa Datta	Independent Director
		S Narsing Rao	Independent Director
		Aparna Surabhi	Independent Director w.e.f 27.05.2024



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Disclosure of transactions with related parties and the status of outstanding balances.

(₹ In Lakhs)

Sl. No.	Name	Nature of transaction	Transactions during the year	As on March 31, 2025	
				Gross receivables (un-secured)	Gross payables
1	Subsidiaries	Acquisition of equity shares	120.00		
			(48.75)		
		Acquisition of Preference shares	-		
			(100.00)		
		Sale of goods	10,505.57	4,531.64	
			(7,637.24)	(3,113.21)	
		Purchase of Assets	-		-
			(1.40)		-
		Purchase of goods	6.68		52.02
			(2.89)		(47.94)
2	Associate	Accumulated Preference share Dividend	8.00	25.56	-
			(17.56)	(17.56)	
		Funds given (loan)	-	220.00	-
			(20.00)	(220.00)	-
		Interest received	22.00	-	-
			(21.22)	-	-
		Acquisition of preference shares	-		
			(8,667.42)		
		Dividend received	61.50		
			-		
3	Investee Company	Sale of goods	-	(4.13)	
			(6,896.83)	(4.13)	
		Purchase of goods	-	-	
			(4,167.87)		
		Acquisition of preference shares	-		
4	Key management personnel		(0.23)		
		Remuneration paid	331.18	-	
			(298.45)		
		Commission on profits	1,894.71	-	2,024.83
			(1,905.63)		(1,943.20)
		Rent paid	9.84	-	
			(9.35)		
		Sitting fee paid to non-executive directors	12.28	-	-
			(4.90)	-	-

Figures in brackets represent previous year balances

Notes forming part of the standalone financial statements

for the year ended March 31, 2025

Directors / key management personnel interested companies as on March 31, 2025

SI No	Name	Designation	Directorship in other Companies	Percentage of Shareholding in other Companies
I	Directors			
1	Dr. A J Prasad	Promoter – Chairman & Managing Director	Beaver Technologies Private Limited	Beaver Technologies Private Limited (62.25%)
2	Mr. MSS Srinath	Promoter and Whole Time Director	Naval Systems & Technologies Private Limited	Naval Systems & Technologies Private Limited (10%)
			Beaver Technologies Private Limited	Beaver Technologies Private Limited (9.50%)
			Torquedrive Technologies Private Limited	-
			TTL Electric Fuel Private Limited	-
			Moebius Power Electronics Private Limited	Moebius Power Electronics Private Limited (50%)
3	Mrs. Kavita Prasad	Promoter - Director	Naval Systems & Technologies Private Limited	-
			Beaver Technologies Private Limited	Beaver Technologies Private Limited (28.25%)
			Torquedrive Technologies Private Limited	-
			TTL Electric Fuel Private Limited	-
			Moebius Power Electronics Private Limited	Moebius Power Electronics Private Limited (50%)
			HBL Tonbo Private Limited – Under Strike off process	-
II	Key managerial personnel			
1	Mr. Sairam Edara	Chief Financial Officer	Tonbo Imaging India Private Limited - Nominee Director of HBL	Not Applicable
2	Mr. GBS Naidu	Company secretary	Not Applicable	Not Applicable

43.10 Disclosure as per Ind AS-108 - Operating segments

This financial report contains both the consolidated financial statements of parent, that is within the scope of this Ind AS, as well as the parent's separate financial statements. Therefore, in accordance with Para 4 of Ind AS 108, segment information is given in the consolidated financial statements.



Notes forming part of the standalone financial statements

for the year ended March 31, 2025

43.11 Disclosures relating to Corporate Social Responsibility (CSR)

As per section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend atleast two percent of its average net profits for the immediately preceding three years, on Corporate Social Responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promotion of education, art and culture, health care, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects. A CSR committee has been formed by the Company as per the Act. The funds were utilized through the year on these activities which are specified in schedule VII of the Companies Act, 2013.

- Gross amount required to be spent by the Company during the year ₹414.89 Lakhs (Previous year ₹177.05 Lakhs).
- Amount approved by the Board to be spent during the year ₹425.00 Lakhs (Previous year ₹200.00 Lakhs).
- The details of amounts spent during the year on CSR activities are as follows: (₹ in Lakhs)

Nature of CSR activities	March 31, 2025	March 31, 2024
i) Eradication of malnutrition and hunger	98.40	77.63
ii) Promotion of children education	158.56	0.72
iii) Safe Drinking Water Facility	2.41	78.02
iv) Rural development	127.03	7.37
v) Contribution to eligible entities	31.40	15.20
Total	417.80	178.94
vi) Unspent balance provided in the books	-	-
Total	417.80	178.94

43.12

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date annexed

For **L N R Associates**
Chartered Accountants
FRN No. 053815

On behalf of the board

Raghuram Vedula
Partner
M.No : 242883
UDIN : 25242883BMIRNE3619
Place : Hyderabad
Date : May 24, 2025

Dr A J Prasad
Chairman & Managing Director
DIN : 00057275

Sairam Edara
Chief Financial Officer

M S S Srinath
Whole-time Director
DIN : 00319175

GBS Naidu
Company Secretary

Kavita Prasad Aluru
Director
DIN : 00319292

Place : Hyderabad
Date : May 24, 2025

INDEPENDENT AUDITOR'S REPORT

To
The Members of
HBL Engineering Limited (formerly known as HBL Power Systems Limited),
Hyderabad

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of HBL Engineering Limited (formerly known as HBL Power Systems Limited) (hereinafter referred to as the 'Parent Company') and its subsidiaries (Parent Company and its subsidiaries together referred to as "the Group"), and its associates, as stated in Note 43.10, which comprise the Consolidated Balance Sheet as at March 31, 2025, and the Consolidated Statement of Profit and Loss (including other Comprehensive Income), the Consolidated Statement of Changes in Equity, and the Consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including material accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2025, of consolidated profit, consolidated total comprehensive income, consolidated changes in equity and their consolidated cash flows for the year then ended.

Basis for opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that in our professional judgment were of most significant in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.



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

The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The Parent Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Parent Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Responsibilities of management and those charged with governance for the consolidated financial statements

The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associate companies are responsible for maintenance of

adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate companies are responsible for assessing the ability of the Group and of its associate companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associate companies are responsible for overseeing the financial reporting process of the Group and of its associate companies.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to

influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) evaluating the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



Other matters

- (a) We did not audit the financial statements/ financial information of 2 (Two) Foreign subsidiaries, whose financial statements / financial information reflect total assets of ₹5,246.63 lakhs as at March 31, 2025, total revenues of ₹11,762.26 lakhs and net cash inflows amounting to ₹269.73 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit after tax of ₹1,019.38 lakhs and total comprehensive income of ₹1,019.06 lakhs for the year ended March 31, 2025, as considered in the consolidated financial statements, in respect of 2 (two) associates, whose financial statements / financial information have not been audited by us.
- (b) These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Ind AS Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on other legal and regulatory requirements

As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Ind AS Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Parent Company as on March 31, 2025 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its associate companies incorporated in India, none of the directors of the Group companies, its associate companies incorporated in India is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in Annexure – A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The consolidated financial statements disclose the impact of pending litigations

on the consolidated financial position of the Group and its associates – Refer Note 43.2 to the consolidated financial statements.

- (ii) The Group and its associate companies did not have any material foreseeable losses on long-term contracts including derivative contracts.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies and two associate companies incorporated in India.
- (iv) (a) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, other than as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements

have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) (a) The dividend declared and paid by the Parent Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) As stated in Note 43.3 to the consolidated financial statements, the Board of Directors of the Parent Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.



- (vi) Based on our examination which included test checks performed by us on the Parent Company and its subsidiaries incorporated in India, and that performed by the respective auditors of the associates which are companies incorporated in India whose financial statements have been audited under the Act, the Parent Company, its subsidiaries incorporated in India and associates have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that the process of binding the MAC address for the user's login is currently pending in the case of Parent Company and its subsidiaries incorporated in India. Further, during the course of our audit, we and respective auditors of the above-referred associates did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Parent Company and its subsidiaries incorporated in India as per the statutory requirements for record retention.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and according to the information and explanations given to us the remuneration paid during the current year by the Parent Company and its subsidiary companies, where applicable, to its directors is in accordance with the provisions of section 197 of the Act.
- (i) With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Parent Company and two subsidiaries, associate companies audited by other auditors, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **L N R Associates**
Chartered Accountants
FRN 05381S

Raghuram Vedula
Partner
M.No. 242883
UDIN: 25242883BMIRNF7501

Place: Hyderabad
Date: May 24, 2025

Annexure - A

(Referred to in Paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated Ind AS Financial Statements of HBL Engineering Limited (formerly known as HBL Power Systems Limited) ("the Parent") as of and for the year ended March 31, 2025, we have audited the internal financial controls over financial reporting of the Parent, its Subsidiaries and Associates incorporated in India as of that date.

Management's responsibility for internal financial controls

The respective Board of Directors of the of the Parent, its Subsidiaries and Associates, incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Parent Company, its subsidiary companies and its associate companies, which are companies incorporated in India considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of

Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained and audit evidence obtained by other auditors in terms of their report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiaries and its associate companies, which are companies incorporated in India.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally



accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

According to the information and explanations given to us and based on our audit we are of the opinion that, the Parent Company, its subsidiaries and its associate companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2025, based on the internal control over financial reporting criteria established by the Parent Company, its subsidiaries and its associate companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to two subsidiaries and two associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of those companies.

For **L N R Associates**
Chartered Accountants
FRN 05381S

Raghuram Vedula
Partner
M.No. 242883
UDIN: 25242883BMIRNF7501

Place: Hyderabad
Date: May 24, 2025

Consolidated balance sheet

as at March 31, 2025

(₹ in Lakhs)

Particulars	Note	As at March 31, 2025		As at March 31, 2024	
I) ASSETS					
1 Non current assets					
(a) Property, Plant and Equipment	5	37,342.44		33,846.31	
(b) Capital works in progress	6	6,818.15		2,039.93	
(c) Right of use assets	8	1,765.44		615.17	
(d) Goodwill		166.00		166.00	
(e) Intangible assets	7	388.73		796.27	
(g) Equity accounted investments	9	11,776.52	58,257.28	10,818.96	48,282.64
(h) Financial assets					
(i) Investments	10	9,103.14		0.33	
(ii) Other financial assets	12	5,334.18		7,048.92	
(i) Other non current assets	13	3,383.88	17,821.20	270.38	7,319.63
2 Current assets					
(a) Inventories	14	53,357.09		43,271.89	
(b) Financial assets					
(i) Investments	10	8,077.34		2.58	
(ii) Trade receivables	15	37,332.70		35,233.14	
(iii) Cash and cash equivalents	16.1	11,695.14		22,346.83	
(iv) Other bank balances	16.2	2,564.15		1,147.98	
(v) Others	16.3	4,913.14		4,569.70	
(c) Other current assets	17	3,931.48	1,21,871.04	3,235.22	1,09,807.33
Total			1,97,949.52		1,65,409.60
II) EQUITY AND LIABILITIES					
1 Equity					
(a) Equity share capital	18	2,771.95		2,771.95	
(b) Other equity	19	1,45,502.86	1,48,274.81	1,19,282.18	1,22,054.13
2 Non-controlling interest	20		(42.46)		(68.17)
3 Non current liabilities					
(a) Financial liabilities					
(i) Borrowings	21.1	588.42		2,295.87	
(ii) Lease liability	21.2	1,463.27		472.12	
(b) Provisions	22	4,133.69		3,253.99	
(c) Deferred tax liabilities (Net)	23	920.27	7,105.65	796.05	6,818.03
4 Current liabilities					
(a) Financial liabilities					
(i) Borrowings	24	4,884.88		3,636.49	
(ii) Lease liability	25	492.96		341.73	
(iii) Trade payables					
(a) Total outstanding dues of MESE	26	1,481.40		1,492.61	
(b) Total outstanding dues to creditors other than MESE	26	16,634.84		11,556.58	
(iv) Other financial liabilities	27	4,681.79		6,554.49	
(b) Other current liabilities	28	9,478.62		8,514.69	
(c) Provisions	22	4,621.60		3,745.65	
(d) Current tax liabilities (Net)	29	335.44	42,611.53	763.37	36,605.61
Total			1,97,949.52		1,65,409.60

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

As per our report of even date annexed

 For **L N R Associates**

Chartered Accountants

FRN No. 053815

On behalf of the board

Raghuram Vedula

Partner

M.No : 242883

UDIN : 25242883BMIRNF7501

Place : Hyderabad

Date : May 24, 2025

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

Sairam Edara

Chief Financial Officer

M S S Srinath

Whole-time Director

DIN : 00319175

GBS Naidu

Company Secretary

Kavita Prasad Aluru

Director

DIN : 00319292

Place : Hyderabad

Date : May 24, 2025



Consolidated statement of profit & loss

for the year ended March 31, 2025

(₹ in Lakhs)

Particulars	Note	Period ended March 31, 2025		Year ended March 31, 2024
Revenue				
I Revenue from operations	30		1,96,720.15	2,23,335.56
II Other income	31		2,608.70	1,790.74
III Total Income (I + II)			1,99,328.85	2,25,126.30
IV Expenses				
Cost of material consumed	32		99,707.57	1,20,834.05
Purchases of stock in trade			7.19	18.25
Changes in inventories of finished goods, stock -in - trade and work - in - progress	33		(2,628.85)	(5,879.20)
Employee benefits expense	34		17,904.67	15,761.92
Finance costs	35		1,302.13	1,293.65
Depreciation and amortization expense	36		4,418.87	4,125.67
Works contract expenses	37		4,972.24	14,254.94
Manufacturing expenses	38		20,656.83	19,233.82
Administrative expenses	39		8,608.71	7,836.93
Selling expenses	39		8,287.08	8,928.67
Total Expenses (IV)			1,63,236.44	1,86,408.70
V Profit before exceptional items and tax (III - IV)			36,092.41	38,717.60
VI Exceptional items - income/(expense)	40		(98.26)	(2,808.25)
VII Profit after exceptional items (V - VI)			35,994.15	35,909.35
VIII Share in profit / (loss) of associates	9A		1,390.54	1,769.12
IX Profit before tax (VII - VIII)			37,384.69	37,678.47
X Tax expense	41			
(1) Current tax		9,532.19		9,823.54
(2) Deferred tax (asset)/liability		204.78		(118.71)
(3) Income tax relating to previous years		-	9,736.97	(61.10)
XI Profit after tax before Non-controlling interest (IX - X)			27,647.72	28,034.74
XII Non-controlling interest-C/Y share of Profit/(Loss)			(44.29)	(53.89)
XIII Profit after Non-controlling interest (XI - XII)			27,692.01	28,088.63
XIV Other comprehensive income (Net)				
Items that will not be reclassified to profit or loss -				
a) Remeasurement of defined benefit plans		(89.21)		(228.35)
b) Tax effect		22.46		57.48
c) Total - (c = a + b)		(66.75)		(170.86)
Items that may be reclassified to profit or loss -				
d) Exchange differences in translating the financial statements of foreign operations		(24.87)		(8.68)
e) Tax effect		6.26		2.18
f) Total - (f = d + e)		(18.61)		(6.50)
g) Total other comprehensive income (Net) - (g= c+f)			(85.36)	(177.36)
XV Total comprehensive income for the period (XI + XII)			27,606.65	27,911.27
Profit/(Loss) for the year attributable to:				
Shareholders of the Company			27,736.30	28,142.53
Non-controlling interest			(44.29)	(53.89)
			27,692.01	28,088.63
Other comprehensive income for the year attributable to:				
Shareholders of the Company			(85.36)	(177.36)
Non-controlling interest			-	-
			(85.36)	(177.36)
Total comprehensive income for the year attributable to:				
Shareholders of the Company			27,650.95	27,965.17
Non-controlling interest			(44.29)	(53.89)
			27,606.66	27,911.27
XVI Earnings per equity share (Face value ₹1/- per share)	42			
(1) Basic ₹			9.96	10.07
(2) Diluted ₹			9.96	10.07

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

As per our report of even date annexed

For **L N R Associates**

Chartered Accountants

FRN No. 053815

On behalf of the board

Raghuram Vedula

Partner

M.No : 242883

UDIN : 25242883BMIRNF7501

Place : Hyderabad

Date : May 24, 2025

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

Sairam Edara

Chief Financial Officer

M S S Srinath

Whole-time Director

DIN : 00319175

GBS Naidu

Company Secretary

Kavita Prasad Aluru

Director

DIN : 00319292

Place : Hyderabad

Date : May 24, 2025

Consolidated cash flow statement

for the year ended March 31, 2025

(₹ in Lakhs)

	March 31, 2025		March 31, 2024	
A Cash flow from operating activities				
Profit before tax and after Non-controlling Interest / associates profit		37,482.94		40,486.72
Exceptional items - income / (expenditure)*		(98.26)		(2,808.25)
Other comprehensive income (net)		(114.08)		(237.03)
Total comprehensive income before tax		37,270.60		37,441.45
Adjustments for:				
Depreciation	3,659.55		3,198.72	
Amortisation of intangible assets	439.73		604.85	
Changes in Right of use assts and lease liabilities	299.80		451.88	
Profit on sale of assets	(24.26)		10.48	
Advances & deposits written off	28.10		174.24	
Interest income	(1,131.42)		(621.73)	
Interest expense	423.76		800.09	
Bad debts written off (Credit impairment)	(42.84)		-	
Provision for doubtful debts (Lifetime expected credit loss)	560.69		955.43	
Other provisions	1,755.65		2,870.42	
		5,968.76		8,444.38
Operating profit before working capital changes		43,239.36		45,885.83
(Increase)/decrease in trade receivables	(2,617.41)		(7,966.65)	
(Increase)/decrease in inventories	(10,085.20)		(9,647.10)	
(Increase) / decrease in financial assets**	(769.21)		(117.29)	
Increase/(decrease) in trade payables	5,067.05		3,221.92	
Increase/(decrease) in current liabilities	(908.79)		4,362.64	
		(9,313.56)		(10,146.48)
Cash generated from operations		33,925.80		35,739.35
Income tax paid net of refunds		(10,011.95)		(8,773.51)
Income tax adjustment relating to previous years		-		61.10
Net cash flow from operating activities (A)		23,913.85		27,026.94
B Cash flow from investing activities				
Purchase of fixed assets including CWIP	(12,164.54)		(7,410.75)	
Capital advances	(3,113.50)		2,285.61	
Sale proceeds of fixed assets	222.70		761.74	
Investment in associates/others	(18,135.13)		(9,947.96)	
Net inflow/(outflow) on account of Non-controlling Interest	70.00		35.00	
Interest received	1,131.42		621.73	
Net cash flow from investing activities (B)		(31,989.05)		(13,654.64)



Consolidated cash flow statement (contd.)

for the year ended March 31, 2025

(₹ in Lakhs)

	March 31, 2025		March 31, 2024	
C Cash flow from financing activities				
Proceeds from Long term borrowings	(27.41)		(7,548.25)	
Repayment of Long term borrowings	1,670.57		8,463.64	
Payment of lease liability	307.70		347.05	
(Increase)/decrease in working capital borrowings	(1,184.10)		917.28	
Dividend payment	1,385.97		1,247.38	
Interest paid	423.76		800.09	
Net cash flow used in financing activities (C)		2,576.49		4,227.19
D Net increase in cash and cash equivalents (A+B-C)		(10,651.69)		9,145.12
Cash and cash equivalents at beginning of the period		22,346.83		13,201.71
Cash and cash equivalents at end of the period		11,695.14		22,346.83
Cash and cash equivalents				
Cash on hand		14.62		10.41
Balances with banks		11,680.52		22,336.42
Total		11,695.14		22,346.83

Notes to the cash flow statement for the year ended 31.03.2025

- 1 This statement is prepared as per Ind AS - 7 (indirect method).
- 2 *Details of the exceptional items are given in Note 40
- 3 **Including bank balances other than cash and cash equivalents
- 4 Previous year's figures were re-grouped wherever necessary.

As per our report of even date annexed

For **L N R Associates**

Chartered Accountants

FRN No. 053815

On behalf of the board

Raghuram Vedula

Partner

M.No : 242883

UDIN : 25242883BMIRNF7501

Place : Hyderabad

Date : May 24, 2025

Dr A J Prasad

Chairman & Managing Director

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Chief Financial Officer

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Whole-time Director

DIN : 00319175

GBS Naidu

Company Secretary

Kavita Prasad Aluru

Director

DIN : 00319292

Place : Hyderabad

Date : May 24, 2025

Consolidated statement of changes in equity

for the year ended March 31, 2025

(₹ in Lakhs)

a) Equity and share capital

	March 31, 2025	March 31, 2024
Balance at the beginning of the year	2,771.95	2,771.95
Changes in equity share capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	2,771.95	2,771.95
Changes in equity share capital during the current year	-	-
Balance at the end of the year	2,771.95	2,771.95

b) Other equity

Particulars	Capital reserve	Securities premium account	Other reserves		General reserve	Retained earnings	Foreign currency translation reserve	TOTAL
			Capital redemption reserve	Investment subsidy				
Balance at the beginning of the current reporting period April 1, 2024	1.02	23,010.66	2.70	55.77	32,272.35	64,353.53	(413.85)	1,19,282.18
Profit for the year						27,692.01		27,692.01
Other comprehensive Income for the year, net of income tax						(66.75)	(18.61)	(85.37)
Dividend						(1,385.97)		(1,385.97)
Balance at the end of the reporting period March 31, 2025	1.02	23,010.66	2.70	55.77	32,272.35	90,592.81	(432.46)	1,45,502.86
Balance at the beginning of the current reporting period April 1, 2023	1.02	23,010.66	2.70	55.77	32,272.35	37,437.61	(407.35)	92,372.76
Profit for the year						28,088.63		28,088.63
Other comprehensive Income for the year, net of income tax						(170.86)	(6.50)	(177.36)
Dividend						(1,247.38)		(1,247.38)
Adjustment to retained earnings on account of consolidation						196.24		196.24
Adjustment to retained earnings on account of minority interest						49.29		49.29
Balance at the end of the reporting period March 31, 2024	1.02	23,010.66	2.70	55.77	32,272.35	64,353.53	(413.85)	1,19,282.18

As per our report of even date annexed

 For **L N R Associates**
Chartered Accountants
FRN No. 053815

On behalf of the board

Raghuram Vedula
Partner
M.No : 242883
UDIN : 25242883BMIRNF7501
Place : Hyderabad
Date : May 24, 2025

Dr A J Prasad
Chairman & Managing Director
DIN : 00057275

Sairam Edara
Chief Financial Officer

M S S Srinath
Whole-time Director
DIN : 00319175

GBS Naidu
Company Secretary

Kavita Prasad Aluru
Director
DIN : 00319292

Place : Hyderabad
Date : May 24, 2025



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

1 Corporate information

In order to reflect the current business of the parent company, the parent company has applied to MCA for change of name from HBL Power Systems Limited to HBL Engineering Limited. Fresha certificate of incorporation dated 13th November 2024 is issued by MCA with new name HBL Engineering Limited.

The Consolidated financial statements (CFS) comprise of financial statements of HBL Engineering Limited (the parent company) and its subsidiaries (collectively the group) and associate company for the year ended March 31, 2025.

The parent company is a public limited company incorporated and domiciled in India and has its registered office at Hyderabad, Telangana State, India. The parent company has its primary listings on the BSE Limited and National Stock Exchange in India Limited. The consolidated financial statements were reviewed by the Audit Committee in its meeting held on 24th May 2025 and approved by the parent Company's Board of Directors at the meeting held on 24th May 2025.

The principal activities of the group comprises of manufacturing of different types of batteries, e- mobility and other products. The group is also engaged in service activities related to the above products.

2 Statement of compliance

The CFS as at and for the year ended March 31, 2025 have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS") as prescribed under section 133 of Companies Act 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

3 Basis of preparation and measurement

3.1 Accounting convention and basis of measurement

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

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

3.2 Functional and presentation currency

The CFS are presented in Indian rupees, which is the functional currency of the parent Company and the currency of the primary economic environment in which the parent Company operates. All financial information presented in Indian rupees has been rounded off to the nearest lakh of rupees except share and per share data.

3.3 Operating cycle:

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

3.4 Basis of consolidation

- a) The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent Company. When the end of the reporting period of the parent Company is different from that of a subsidiary / associate, that entity prepares, for consolidation

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

purposes, additional financial information as of the same date as the financial statements of the parent Company to enable it to consolidate the financial information, unless it is impracticable to do so.

b) The CFS incorporate the financial statements of the parent Company and entities controlled by the parent Company. Control is achieved when the parent Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

c) The parent Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

d) When the parent Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The parent Company considers all relevant facts and circumstances in assessing whether or not its voting rights in an investee are sufficient to give it power, including:

- the size of the parent Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the parent Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and

- any additional facts and circumstances that indicate that the parent Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

e) Consolidation of a subsidiary begins when the parent Company obtains control over the subsidiary and ceases when it loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the parent Company gains control until the date when it ceases to control the subsidiary.

f) Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the owners of the parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the group's accounting policies.

g) All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

h) Details of subsidiary companies considered in the preparation of the consolidated financial statements are given in Note No.43.10

3.5 Use of Judgments, estimates and assumptions

The preparation of CFS in conformity with Ind AS requires management to make judgments,



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities and contingent assets. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any affected future periods.

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

3.5 a Revenue recognition

- i) Revenue from contracts with customers that meet the recognition criteria under paragraph 9 of Ind AS 115 are recognised when (or as) a performance obligation is satisfied by transferring a promised good or service to a customer, for the amount of the transaction price that is allocated to that performance obligation.
- ii) The group exercises judgement for identification of performance obligations, determination of transaction price, allocation of transaction price to each distinct performance obligation and determining whether the performance obligation is satisfied at a point in time or over a period of time. These judgements have been explained in detail under the note on revenue. (refer note no. 30)

3.5 b Useful life of Property Plant and Equipment

The group reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may

result in change in depreciation expense in future periods (refer note no. 5)

3.5 c Employee benefits

The accounting of employee benefits in the nature of defined benefit requires the group to use assumptions. These assumptions have been explained under employee benefit note (refer note no. 34)

3.5 d Leases

The group evaluates if an arrangement qualifies be a lease as per requirements of Ind As 116. Identification of lease requires significant judgement. The group uses significant judgement in assessing the lease term (including anticipated renewals) and applicable discount rate. (refer note no.8)

3.5 e Impairment of investments / intangible assets

The group reviews its carrying value of investments and intangible assets carried at cost (net of impairment, if any) annually or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount the impairment loss is accounted in the statement of profit and loss account.

3.5 f Provision for Income tax and deferred taxes

The group uses judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining provision for income tax. A deferred tax asset is recognised to the extent that it is probable that its future taxable profits will be available against which the deductible temporary differences and tax losses can be utilised accordingly the group exercises its judgement to re assess carrying amount of deferred tax asset at the end of each reporting period.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

3.5 g Provision and contingencies

The group estimates the provisions that have present obligation as a result of past events and it is probable that out flow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and or adjusted to reflect the current best estimates.

The group uses significant judgements to assess contingent liabilities . Contingent liabilities are disclosed when there is possible obligation arising from past events, the existence of which will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an out flow of resources will be required to settle

the obligation or reliable estimate of the amount cannot be made. Contingent assets are disclosed in the standalone financial statements but not recognised.

4 Recent accounting pronouncements :

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. April 1, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Note: 5 Property, Plant and Equipment as on March 31, 2025

Accounting policy:

Property, Plant and Equipment are measured at cost less accumulated depreciation and impairment loss if any. The cost of property plant and equipment includes those incurred directly for the construction or acquisition of the asset and directly attributable to bringing it to the location and condition necessary for it to be capable of operating in the manner intended by the management and includes present value of expected costs for dismantling/restoration where ever applicable.

The cost of major spares is recognized in the carrying amount of the item of property, plant and equipment, in accordance with the recognition criteria set out in the standard. The carrying amount of the replaced part is derecognized at the time of actual replacement. The costs of the day-to-day servicing of the item are recognized in statement of profit or loss as incurred. Each component / part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately only when it has a different useful life. The gain or loss arising from de-recognition of an item of property, plant and equipment is included in statement of profit or loss when the item is derecognized.

Depreciation on tangible assets including those on leasehold premises is provided for under straight line method over the useful life of assets specified in Part C of Schedule II to the Companies Act, 2013 and in the manner specified therein, except in respect of dies and moulds which are depreciated over their technically estimated useful lives of 5 years on straight line method. Assets costing less than ₹5,000/- are fully depreciated in the year of purchase. Depreciation methods, useful lives and residual values are reviewed at each reporting date and accounted for as change in accounting estimate.

Property plant and equipment with finite life are evaluated for recoverability when ever there is an indication that their carrying amounts may not be recoverable. If such indication exists, the recoverable amount (higher of fair value less cost to sell and value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss account.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

(₹ in Lakhs)

Description	Gross carrying amount			Accumulated depreciation			Net carrying amount	
	As on April 1, 2024	Additions	Adjustments/deletions	As on March 31, 2025	For the period	Adjustments/deletions	As on March 31, 2025	As on March 31, 2024
Land - freehold	3,507.24	228.80	21.77	3,714.27	-	-	3,714.27	3,507.24
Buildings - factory	17,053.74	334.87	12.70	17,375.91	611.35	7.42	9,391.78	9,673.54
Buildings - others	944.61	448.53	-	1,393.14	24.43	-	1,237.80	813.70
Plant and equipment	44,061.36	4,758.69	592.78	48,227.27	2,214.22	500.66	19,182.09	16,729.74
Furniture & fixtures	974.68	200.01	4.75	1,169.94	96.89	5.71	664.91	560.83
Vehicles	1,685.09	163.75	136.59	1,712.25	158.47	93.23	980.97	1,019.05
Office equipment	3,427.86	1,219.47	98.62	4,548.71	554.19	61.75	2,166.13	1,537.72
Office equipment under finance lease	86.48	-	-	86.48	-	-	4.49	4.49
Technical library	1.89	-	-	1.89	-	-	-	-
Net Total	71,742.95	7,354.12	867.21	78,229.86	3,659.55	668.77	37,342.44	33,846.31
Carrying value as at March 31, 2024	65,741.86	7,665.68	1,664.59	71,742.95	3,198.72	896.68	33,846.31	-

5.1 In respect of dies, moulds and testing equipment 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.



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Note: 6 Capital work in progress

Accounting policy:

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

- To the extent directly identifiable to any specific plant / unit, trial run expenditure net of revenue is included in the cost of property, plant and equipment .
- To the extent not directly identifiable to any specific plant / unit, is kept under 'expenditure during construction' for allocation to property, plant and equipment and is grouped under 'capital work-in-progress'.

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Machinery under erection	5,610.41	333.06
Civil works in progress	1,207.74	1,706.87
Total	6,818.15	2,039.93

Amount in capital work in progress for a period of

(₹ in Lakhs)

Particulars	Less than 1 year	1-2 years	2-3 Years	More than 3 years	Total
As on 31.03.2025					
Project in progress	5,890.87	206.31	684.26	36.71	6,818.15
Projects temporarily suspended	-	-	-	-	-
Total	5,890.87	206.31	684.26	36.71	6,818.15
As on 31.03.2024					
Project in progress	1,301.68	706.20	32.05	-	2,039.93
Projects temporarily suspended	-	-	-	-	-
Total	1,301.68	706.20	32.05	-	2,039.93

Projects in progress for more than 3 years pertains to specialised budings under construction and is expected to be capitalised during FY 2025-2026.

Note: 7 Intangible assets as on March 31, 2025

Accounting policy:

Intangible asset is recognised when it is probable that future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

New product development expenditure, software licences, technical knowhow fee, infrastructure and logistic facilities, etc. are recognised as intangible assets upon completion of development and commencement of commercial production.

Intangible assets are amortized on straight line method over their technically estimated useful lives.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Residual values and useful lives for all intangible assets are reviewed at each reporting date. Changes, if any, are accounted for as changes in accounting estimates. (₹ in Lakhs)

Description	Gross carrying amount				Accumulated amortization				Net carrying amount	
	As on April 1, 2024	Additions	Adjustments/deletions	As on March 31, 2025	As on April 1, 2024	For the period	Adjustments/deletions	As on March 31, 2025	As on March 31, 2025	As on March 31, 2024
New product development expenditure (internally generated)	5,614.73	-	-	5,614.73	5,360.66	254.05	-	5,614.71	0.01	254.07
Power facility	96.16	-	-	96.16	96.16	-	-	96.16	-	-
Technical knowhow fee	1,849.59	-	-	1,849.59	1,314.37	178.42	-	1,492.79	356.80	535.22
Software development	993.02	32.20	-	1,025.22	991.98	7.27	-	999.25	25.97	1.03
Trade marks and other business intangibles	5.95	-	-	5.95	-	-	-	-	5.95	5.95
Total	8,559.45	32.20	-	8,591.65	7,763.18	439.74	-	8,202.92	388.73	796.27
Carrying value as at March 31, 2024	8,340.14	225.10	5.79	8,559.45	7,161.03	604.85	2.70	7,763.18	796.27	-

Note: 8 Leases

Accounting policy:

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

- i) Assets taken under lease
- a) The group recognises Right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset is measured in accordance with the measurement criteria as per Ind AS 116. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.
- b) The group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the group uses incremental borrowing rate. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The group recognises the amount of the re-measurement of lease liability in accordance with the requirements under Ind AS 116.



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

- c) The group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense.

ii) Assets given on lease

At the inception of the lease the group classifies each of its leases as either an operating lease or a finance lease. The group recognises lease payments received under operating leases as income. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease.

Disclosure as per IND-AS 116

- (i) The group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). The group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application. The group has used a single discount rate to a portfolio of leases with similar characteristics. On transition, the group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application using the practical expedient provided by the standard.

- (ii) The details of the Right-of-use asset held by the group is as follows:

(₹ in Lakhs)

Description	Leasehold land	Buildings	Total
Gross carrying amount			
As on April 01, 2024	342.16	943.46	1,285.62
Additions/adjsutments	1,147.44	377.18	1,524.62
As on March 31, 2025	1,489.60	1,320.64	2,810.24
Accumulated amortization			
As on April 01, 2024	105.75	564.70	670.45
For the period	75.86	298.49	374.35
Additions/adjsutments			-
As on March 31, 2025	181.61	863.19	1,044.80
Net carrying amount			
As on March 31, 2025	1,307.99	457.45	1,765.44
As on March 31, 2024	236.41	378.76	615.17

* Ageing Analysis of lease liability is disclosed vide note 11.1 on financial instruments.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

(iii) Lease liabilities:

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Opening balance	813.85	837.06
Additions/adjustments	1,463.21	198.60
Interest for the year	113.16	93.99
Cash outflow for leases	434.00	315.8
Closing balance*	1,956.22	813.85
Current lease liability	308.39	308.39
Non-current lease liability	1,647.83	505.46

(iv) The group incurred ₹342.11 lakhs for the year ended March 31, 2025 (Previous year ₹329.72 lakhs) towards expenses relating to short-term leases and leases of low-value assets. The total cash outflow for leases is ₹776.11 lakhs for the year ended March 31, 2025 (previous year ₹722.51), including cash outflow for short term and low value leases.

(v) Lease contracts for land & building entered by the group are primarily to conduct its business in the ordinary course.

Note: 9 Equity accounted investments:

Naval Systems and Technologies Private Limited (Associate Company)

The group has a 41% interest in the entity which is involved in providing services to foreign original equipment manufactures. The groups interest in the entity is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the associate company along with reconciliation is set out below.

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Opening Carrying amount of the investment	1,090.48	870.73
Group's share of Profit/(Loss)	210.22	219.75
Dividend received	(61.50)	-
Carrying amount of the investment	1,239.20	1,090.48

Particulars	March 31, 2025	March 31, 2024
Current assets	2,785.11	3,475.28
Non current assets	580.90	473.61
Current liabilities	(341.85)	(1,287.74)
Non current liabilities	(1.72)	(1.44)
Equity	3,022.44	2,659.71
Proportion of the group's ownership	41%	41%
Carrying amount of the investment	1,239.20	1,090.48

Tonbo Imaging India Private Limited (Tonbo) (Associate Company)

Pursuant to the shareholder's agreement entered, HBL exercised its conversion rights and consequently, on March 27, 2025 the Board of Directors of Tonbo Imaging India Private Limited (Tonbo) have approved the conversion of 1,12,156 Compulsorily Convertible Preference Shares (CCPS) of ₹100 each into 81,630 Equity



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

shares of ₹10 each at an agreed conversion rate of 0.7278 equity share of ₹10 each for every 1 CCPS of ₹100 each held by HBL. Upon allotment of 81,630 Equity shares of ₹10 each on March 27, 2025 HBL holds 11.13% in the equity capital of Tonbo against overall original cost of Investment of ₹86.67 Crores. On account of such conversion the current shareholding of the group in Tonbo as on March 31, 2025 is 11.13% against previous holding of 15.83%. Tonbo is continued to be classified as "Associate" based upon the Board representation and voting rights on affirmative matters affecting the operating and financials decisions of the investee company. The group share of profit and loss and other comprehensive in Tonbo is recognised prospectively based on the revised shareholding percentage for the current year considering the restructuring changes and accounted the investments "under equity method".

Summarised financial information of the associate company along with reconciliation is set out below

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Opening Carrying amount of the investment	9,728.48	8,667.41
Group's share of Profit/(Loss)	808.84	1,061.07
Carrying amount of the investment*	10,537.32	9,728.48

*includes Goodwill

Financial information of associate

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Current assets	44,411.23	36,312.20
Non current assets	28,044.05	21,156.06
Current liabilities	(18,379.88)	(28,682.39)
Non current liabilities	(5,070.86)	(5,772.70)
Equity	49,004.54	23,013.17
Proportion of the group's ownership	11.13%	15.83%
Group share of net asset	5,454.21	3,642.98

	March 31, 2025	March 31, 2024
Naval Systems and Technologies Private Limited	1,239.20	1,090.48
Tonbo Imaging India Private Limited	10,537.32	9,728.48
Total	11,776.52	10,818.96

Not: 9A Share in profit / (loss) of associates

Summarised statement of profit and loss of Naval Systems and Technologies Private Limited

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Total Income	4,153.29	2,910.62
Cost of raw material and components consumed	(2,174.24)	(1,229.93)
Depreciation & amortisation	(8.01)	(6.82)
Finance cost	(18.05)	(20.07)
Employee benefits	(289.71)	(375.55)

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Particulars	March 31, 2025	March 31, 2024
Other expenses	(963.51)	(559.31)
Profit before tax	699.77	718.95
Taxes	187.04	182.96
Profit after tax	512.73	535.99
Proportion of the group's ownership	41%	41%
Group's share of profit / (loss) for the year	210.22	219.75

Summarised statement of profit and loss of Tonbo Imaging India Private Limited

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Total Income	47,439.15	43,189.64
Cost of raw material and components consumed	(20,461.09)	(21,992.94)
Depreciation & amortisation	(2,659.06)	(1,339.54)
Finance cost	(1,678.28)	(703.63)
Employee benefits	(4,428.97)	(1,305.51)
Other expenses	(8,295.92)	(8,392.95)
Profit before tax	9,915.83	9,455.07
Taxes	2,645.76	2,600.62
OCI net of taxes	2.84	10.13
Profit after tax (after OCI)	7,267.23	6,844.32
Proportion of the group's ownership	11.13%	15.83%
Group's share of profit / (loss) for the year before Dividend	808.84	1,083.46
Adjustment for Preference Dividend of other share holders	-	22.39
Group's share of profit / (loss) for the year after Dividend	808.84	1,061.07

Share in profit / (loss) of associates

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Naval Systems and Technologies Private Limited	210.22	219.75
Tonbo Imaging India Private Limited	808.84	1,061.07
Total	1,019.06	1,280.82

Note: 10 Investments

Accounting policy:

- Investments in subsidiaries, associate and joint ventures are measured at cost. Impairment / diminution in value, other than temporary, is provided for.
- Investments classified as 'current investments' are carried at cost and diminution / impairment with reference to market value is recognized.
- Investments in mutual funds & Alternate Investment fund (AIF) are classified as "At fair value through Profit & Loss Account (FVTPL)" and gains/losses are routed through Profit & Loss at each reporting period.



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

i) Investments in associates and joint ventures

- I) An 'Associate' is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.
- II) The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.
- III) The group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the group's share of net assets of the associate since the acquisition date.
- IV) The statement of profit and loss reflects the group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the group's OCI. In addition, when there has been a change recognised directly in the equity of associate the group recognises its share of any changes, when applicable, in the statement of changes in equity.
- V) The aggregate of the group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.
- VI) Details of associate company considered in the preparation of the consolidated financial statements are given in Note 45

(₹ in Lakhs)

					March 31, 2025	March 31, 2024
Investments in Subsidiaries and Associates:						
Unquoted - Non current:						
i)	In equity instruments: (fully paid-up)					
	Number		Face value	Name of the entity		
	Current year	Previous year				
a)	Subsidiary Companies					
	99,99,500	99,99,500	₹10	SCIL Infracon Private Limited - (refer note no.42.2)	1,248.37	1,248.37
				Less: Provision for impairment (refer note no. 43)	1,248.37	1,248.37
					-	-
	5,100	5,100	₹10	HBL Tonbo Private Limited	0.51	0.51
				Less: Provision for impairment (refer note no. 43)	0.51	0.51
					-	-

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

				March 31, 2025	March 31, 2024
Other Investments:					
ii) Unquoted - Non current:					
100	100	USD 2.86	Tonbo Imaging Pte Ltd, Singapore (Preference)	0.23	0.23
-	200	₹10	Indian Lead Limited (Equity - listed but not quoted)	-	0.10
2,00,000	-	₹1,000	India SME Investment Fund-II(AIF) - Units	2,000.00	-
Quoted - Non current:					
iii)	-	-	Mutual Funds	7,102.91	-
Carrying value of non-current investments				9,103.14	0.33

(₹ in Lakhs)

				March 31, 2025	March 31, 2024
Current investments-quoted :					
In equity instruments of other companies: (Fully Paid-up)					
(Received in pursuance of Business Combination)					
	Number	Face value	Name of the entity		
	Current year	Previous year			
-	690	₹1	JSW Steel Limited	-	2.58
Other Investments :					
-	-	-	Mutual Funds	8,077.34	-
Total				8,077.34	2.58
Less : Aggregate provision for diminution in value of investments				-	-
Carrying value of current investments				8,077.34	2.58

(₹ in Lakhs)

	March 31, 2025		March 31, 2024	
	Non - current	Current	Non - current	Current
10.1 Aggregate amount of quoted investments	7,102.91	8,077.34	0.10	2.58
Aggregate market value of quoted investments	7,102.91	8,077.34	Not available	5.74
Aggregate amount of unquoted investments	2,000.23	-	0.23	-
Aggregate amount of impairment / diminution in value of investments	1,248.88	-	1,248.88	-



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Note: 11 Financial instruments (financial assets and financial liabilities)

Accounting policy:

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

ii) Non-derivative financial instruments

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

iii) Derivative financial instruments

- a) Derivative financial assets and liabilities are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date
- b) Changes in the fair value of any derivative asset or liability are recognized immediately in the income statement and are included in other income or expense.
- c) Cash flow hedge: Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized in other comprehensive income and presented within equity in the cash flow hedging reserve to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in the statement of profit and loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in the cash flow hedging reserve is transferred to the statement of profit and loss upon the occurrence of the related forecasted transaction.

(iv) Impairment

i) Financial assets

- a) The group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:
Financial assets that are debt instruments, and are measured at amortized cost wherever applicable for e.g., loans, debt securities, deposits, and bank balance.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

b) Trade receivables

The group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECL's at each reporting date, right from its initial recognition.

ii) Non - financial assets

The group assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the group estimates the amount of impairment loss.

Disclosure in accordance with Ind-AS 107 and 113 - Financial instruments

A) Capital management

The group manages its capital structure and make adjustments to it, in light of changes in economic condition. To maintain or adjust the capital structure, the group may adjust the dividend payment to Shareholders, return capital to Shareholder, or issue new shares. No changes were made in the objectives, policies and procedures in the past three years.

The group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group includes within net debt, borrowings, trade and other payables, other liabilities, less cash and cash equivalents. capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders.

B) Financial instruments by category

The carrying and fair value of financial instruments by categories as of March 31, 2025 were as follows:

(₹ in Lakhs)

Particulars	March 31, 2025				March 31, 2024			
	Fair value through P&L (FVTPL)	Amortised cost	Total carrying value	Total fair value	Fair value through P&L (FVTPL)	Amortised cost	Total carrying value	Total fair value
Assets :								
Cash cash equivalents	-	11,695.14	11,695.14	11,695.14	-	22,346.83	22,346.83	22,346.83
Other bank balances	-	2,564.15	2,564.15	2,564.15	-	1,147.98	1,147.98	1,147.98
Investments in others	17,180.25	0.23	17,180.48	17,180.48	-	2.91	2.91	8.65
Trade receivables	-	37,332.70	37,332.70	37,332.70	-	35,233.14	35,233.14	35,233.14
Other financial assets	-	10,247.32	10,247.32	10,247.32	-	11,618.62	11,618.62	11,618.62
Total	17,180.25	61,839.54	79,019.79	79,019.79	-	70,349.48	70,349.48	70,355.22



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Particulars	March 31, 2025				March 31, 2024			
	Fair value through P&L (FVTPL)	Amortised cost	Total carrying value	Total fair value	Fair value through P&L (FVTPL)	Amortised cost	Total carrying value	Total fair value
Liabilities :								
Trade payables	-	18,116.24	18,116.24	18,116.24	-	13,049.19	13,049.19	13,049.19
Borrowings	-	5,473.30	5,473.30	5,473.30	-	5,932.36	5,932.36	5,932.36
Lease liability	-	1,956.23	1,956.23	1,956.23	-	813.85	813.85	813.85
Other financial liabilities	-	4,681.79	4,681.79	4,681.79	-	6,554.49	6,554.49	6,554.49
Total	-	30,227.56	30,227.56	30,227.56	-	26,349.89	26,349.89	26,349.89

- C) The following table presents the fair value hierarchy of financial assets and liabilities measured at fair value on recurring basis as at March 31, 2025 and March 31, 2024.

Fair value hierarchy:

(₹ in Lakhs)

Particulars	March 31, 2025			March 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investments in Mutual Funds and AIF	15,180.25	-	2,000.00	-	-	-
Total	15,180.25	-	2,000.00	-	-	-

Level 1 - Quoted prices (unadjusted) in the active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

D) Financial risk management

Financial risk factors

The group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk. The management, review and design policies and procedures to minimise potential adverse effects on its financial performance. The primary market risk to the group is foreign exchange risk. The group's exposure to credit risk is influenced mainly by the customers' repayments. The group's exposure to liquidity risks are on account of interest rate risk on borrowings. The following sections provide details regarding the group's exposure to the above mentioned financial risks and the management thereof.

Market risk

The group operates internationally and a portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales and services in those countries. The exchange rate between the local and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the group's operations are affected as the local currency appreciates/ depreciates against these foreign currencies. The group leaves exchange rate risk with regard to foreign exposures unhedged when the local currency is depreciating against the

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

foreign currency and hedges this risk when the local currency is appreciating against the foreign currency. Currently the foreign exchange risk of the group is covered through natural hedge and the group uses the foreign currency denominated accounts to mitigate the exchange rate variation.

The following table analyzes foreign currency risk from financial instruments as of March 31, 2025 :

Currency in Lakhs

Particulars	U.S. Dollars	Euro	GBP	AED	Total
Trade receivables	82.31	50.59	2.43	-	135.33
Other financial assets	-	-	-	-	-
Trade payables	(39.74)	(0.72)	(0.24)	(0.04)	(40.74)
Other financial liabilities	(2.81)	(2.95)	-	-	(5.76)
Net assets/(liabilities)	39.76	46.92	2.19	(0.04)	88.83

The following table analyzes foreign currency risk from financial instruments as of March 31, 2024:

Currency in Lakhs

Particulars	U.S. Dollars	Euro	GBP	AED	Total
Trade receivables	49.29	31.38	0.52	-	81.19
Other financial assets	-	-	-	-	-
Trade payables	(11.21)	(2.12)	(0.41)	-	(13.74)
Other financial liabilities	(2.82)	(1.08)	-	-	(3.90)
Net assets/(liabilities)	35.26	28.18	0.11	-	63.55

For the year ended March 31, 2025 and March 31, 2024, the depreciation / appreciation in the exchange rate between the Indian rupee and respective unhedged foreign currency exposures, has resulted in incremental operating margins by approximate ₹1,039.28 lakhs and ₹632.13 lakhs respectively.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹37,332.70 lakhs and ₹35,233.14 lakhs as of March 31, 2025 and March 31, 2024, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India and overseas. Credit risk has always been managed by the group through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the group uses expected credit loss model to assess the impairment loss or gain. The group uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available external and internal credit risk factors and the Group's historical experience for customers.



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

The following table gives details in respect of percentage of revenues generated from top customer and top five customers :

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Revenue from top customer	6.66%	7.30%
Revenue from top five customers	21.92%	28.53%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2025 was ₹846.71 Lakhs. The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2024 was ₹1,065 Lakhs.

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Balance at the beginning	1,065.00	263.99
Lifetime expected credit loss	526.88	955.43
Credit impairment	(745.17)	(154.42)
Balance at the end	846.71	1,065.00

Credit risk on cash and cash equivalents is limited as the group generally invests in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies with no history of default.

The bank balances held by the foreign subsidiaries of HBL Engineering Limited are generally within the insured limits of respective applicable laws.

Liquidity risk

The group's principal sources of liquidity is cash and cash equivalents and the cash flow that is generated from operations. The group also has long term and short term borrowings from banks and financial institutions. Term loans are project specific and for refinancing of capital expenditures. Short term loans repayable on demand from banks and are obtained for the working capital requirements of the group.

As of March 31, 2025, the group had a working capital of ₹79,253.66 lakhs including cash and cash equivalents of ₹11,695.14 lakhs . As of March 31, 2024, the group had a working capital of ₹70,199.55 lakhs including cash and cash equivalents of ₹22,346.83 lakhs .

As of March 31, 2025 and March 31, 2024, the outstanding gratuity and compensated absences were ₹455.17 lakhs and ₹296.11 lakhs, respectively, which have been substantially funded. Accordingly, no liquidity risk is perceived.

Interest rate risk

The interest rate risk is the risk that the fair value or the future cash flows of the group's financial instruments will fluctuate because of the change in market interest rates. The group is exposed to interest rate risks as it has significant interest bearing loans from banks and financial institutions. These fluctuations are managed through negotiated and prefixed interest rates on term loans enabling the management to plan its future financial commitments and exposures. Short term loans repayable on demand are a subject to prevailing market rate fluctuations and sanctioned facilities are availed on a need to borrow basis to ensure minimum exposure to interest rate fluctuations.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

11.1 The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2025 :

(₹ in Lakhs)

Particulars	< 1 year	1-2 years	> 2 years	Total
As on March 31, 2025				
Trade payables	18,116.24	-	-	18,116.24
Long term borrowings	1,733.85	189.17	399.25	2,322.27
Short term borrowings	3,151.03	-	-	3,151.03
Lease liability	492.96	174.49	1,282.92	1,950.37
Other financial liabilities (excluding borrowings from banks and financial institutions)	4,681.79	-	-	4,681.79
As on March 31, 2024				
Trade payables	13,049.19	-	-	13,049.19
Long term borrowings	1,669.56	1,569.29	726.58	3,965.43
Short term borrowings	1,966.93	-	-	1,966.93
Lease liability	312.83	379.07	121.94	813.85
Other financial liabilities (excluding borrowings from banks and financial institutions)	6,554.49	-	-	6,554.49

Note: 12 Other financial assets

Accounting policy:

Cash and cash equivalents

The group considers all high liquid investment which are readily convertible into amount of cash that are subject to insignificant risk of change in value to be cash equivalents. Cash and cash equivalents consists of balances with banks which are un restricted for withdrawal and usage.

(₹ in Lakhs)

Non-Current	March 31, 2025	March 31, 2024
Bank deposits (maturity beyond 12 months)		
Fixed deposits	555.93	1,008.34
Margin money deposits	810.25	2,210.40
Security deposits with Government and others	3,915.48	3,814.33
Advances to employees	52.52	15.85
Total	5,334.18	7,048.92

Note: 13 Other non-current assets

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Capital advances	3,383.88	270.38
Total	3,383.88	270.38



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Note: 14 Inventories are valued as under

Accounting policy:

Inventories are valued as under:

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

Inventories

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Raw materials	28,956.84	22,525.77
Stores, spares, process chemicals, fuels & packing material	955.23	949.82
Stock -in-trade (in respect of goods acquired for trading)	1.87	3.18
Bonded stocks/In transit	1,180.10	208.05
Consumable tools	249.25	201.42
Work-in-progress	15,431.89	10,906.38
Finished goods	6,581.91	8,477.27
Total	53,357.09	43,271.89

Disclosure as per Ind AS - 2 - Inventories

During the year ended March 31, 2025, ₹22.37 lakhs (March 31, 2024, ₹0.16 lakhs) was recognised as an expense in respect of inventories carried at net realisable value and an amount of ₹474 lakhs (previous year ₹263.83 lakhs) writedown on account of obsolescence due to technology change.

Note: 15 Trade receivables

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Unsecured, considered good	37,332.70	35,233.14
Unsecured and having significant credit risk	884.37	1,065.00
	38,217.07	36,298.14
Allowance for credit risk	(884.37)	(1,065.00)
Total	37,332.70	35,233.14

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Trade receivable ageing schedule

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
As on 31.03.2025						
Undisputed - considered good	35,332.74	1,087.09	826.72	86.15	-	37,332.70
Undisputed - significant increase in credit risk	29.79	29.75	-	182.72	642.11	884.37
Undisputed - credit impaired	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed - significant increase in credit risk	-	-	-	-	-	-
Disputed - credit impaired	-	-	-	-	-	-
	35,362.53	1,116.84	826.72	268.87	642.11	38,217.07
As on 31.03.2024						
Undisputed - considered good	33,126.99	807.95	672.62	625.58	-	35,233.14
Undisputed-significant increase in credit risk	132.45	214.78	44.89	226.16	330.36	948.64
Undisputed - credit impaired	-	-	-	-	-	-
Disputed - considered good	-	-	-	-	-	-
Disputed-significant increase in credit risk	-	-	-	-	116.36	116.36
Disputed - credit impaired	-	-	-	-	-	-
	33,259.44	1,022.73	717.51	851.74	446.72	36,298.14

Note: 16

16.1 Cash and cash equivalents

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Balances with banks in current accounts	1,802.59	740.43
Balances with banks in cash credit accounts	4,681.88	3,693.22
Cash on hand	14.62	10.41
Fixed deposits (maturity of less than three months)	5,196.05	17,902.77
Total	11,695.14	22,346.83

16.2 Other bank balances

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Balances with banks in other current accounts	15.38	9.97
Fixed deposits	499.98	533.03
Margin money deposits	1,980.95	545.10
Dividend account	67.84	59.88
Total	2,564.15	1,147.98



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

16.3 Financial assets - others (current)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Security deposits with government and others	16.30	71.89
Advances to employees	115.82	81.43
Claims & other receivables	844.75	867.95
Interest accrued but not due on deposits	741.02	569.01
Contract assets	3,195.25	2,979.42
Total	4,913.14	4,569.70

16.4 Claims and other receivables include

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
a) Insurance claim on account of heavy rainfall (Refer Note : 16.5)	95.16	95.16
b) Payments under protest for pending indirect tax litigations	382.96	400.73
c) Other receivables	366.63	372.06
Total	844.75	867.95

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

Note: 17 Other current assets

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
A) Advances other than capital advances:		
Advances to employees	69.16	72.05
Advances to vendors for supply of goods / services	2,191.89	1,741.44
B) Others:		
Prepaid expenses	354.56	455.60
Export incentives receivable	132.82	32.03
GST/service tax input/VAT receivables	1,008.77	729.78
Other advances	174.28	204.32
Total	3,931.48	3,235.22

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Note: 18 Equity share capital

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Authorised		
31,25,00,000 Equity shares of ₹1 each	3,125.00	3,125.00
(Previous year 31,25,00,000 Equity shares of ₹1 each)		
Issued, subscribed and fully paid-up		
27,71,94,946 Equity shares of ₹1 each	2,771.95	2,771.95
(Previous year 27,71,94,946 Equity shares of ₹1 each)		
Total	2,771.95	2,771.95

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

Equity shares	March 31, 2025		March 31, 2024	
	No. of Shares	Value ₹	No. of Shares	Value ₹
At the beginning of the period	27,71,94,946	2,771.95	27,71,94,946	2,771.95
Additions during the period on account of business combination	-	-	-	-
Deductions during the period on account of business combination	-	-	-	-
Outstanding at the end of the period	27,71,94,946	2,771.95	27,71,94,946	2,771.95

18.2 Terms/rights attached to equity shares

The parent Company has only one class of equity shares having a par value of ₹1 per share. Each holder of equity shares is entitled to one vote per share. The parent Company declares and pays dividends in indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

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

(₹ in Lakhs)

Name of the shareholder	March 31, 2025		March 31, 2024	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹1 each fully paid				
Promoter and promoter group				
Aluru Family Pvt Trust - Trustee Kavita Prasad Aluru	14,22,05,858	51.30	14,22,05,858	51.30



Notes forming part of the consolidated financial statements

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18.4 Shares held by promoters at the end of the year

(₹ in Lakhs)

Sl. No.	Promoter name	March 31, 2025		March 31, 2024		% change during the year
		No of shares	% of total shares	No of shares	% of total shares	
1	Dr. A J Prasad	26,92,827	0.97	26,92,827	0.97	-
2	A Uma Devi	9,50,397	0.34	9,50,397	0.34	-
3	M S S Srinath	19,56,920	0.71	19,56,920	0.71	-
4	Kavita Prasad	97,88,386	3.53	97,88,386	3.53	-
5	M Advay Bhagirath	39,17,600	1.41	39,17,600	1.41	-
6	M Deeksha	20,87,187	0.75	20,87,187	0.75	-
7	Aluru Family Pvt Trust - Trustee Kavita Prasad Aluru	14,22,05,858	51.30	14,22,05,858	51.30	-
8	Mikkilineni Family Pvt Trust - Trustee Kavita Prasad Aluru	2,53,134	0.09	2,53,134	0.09	-
Total		16,38,52,309	59.11	16,38,52,309	59.11	-

Note: 19 Other equity - (refer statement of changes in equity)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Capital reserve	1.02	1.02
Capital redemption reserve	2.70	2.70
Investment subsidy from state government	55.77	55.77
Securities premium account	23,010.66	23,010.66
General reserve	32,272.35	32,272.35
Retained earnings (balance of surplus in the statement of changes in equity)	90,592.81	64,353.53
Foreign currency translation reserve	(432.46)	(413.85)
	1,45,502.86	1,19,282.18

Note: 20 Non-controlling interest

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Opening balance	(68.17)	(49.28)
Investment/share application money during the year	70.00	35.00
Share of profit/(loss) during the year	(44.29)	(53.89)
	(42.46)	(68.17)

Note: 21 Non-current - financial liabilities

21.1 Borrowings

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Term loans from banks (secured)		
ICICI Bank Ltd	546.63	702.81
Axis Bank Ltd	-	1,500.00
HDFC bank Ltd. - against vehicles	41.79	93.06
Total	588.42	2,295.87

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

21.2 Lease liability

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Lease liability	1,463.27	472.12
Total	1,463.27	472.12

21.3 Current - financial liabilities

Borrowings (current maturities)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Long term debt from banks (secured)		
ICICI Bank Ltd	156.18	78.09
Axis Bank Ltd	1,500.00	1,500.00
HDFC bank Ltd. - against vehicles	77.67	91.47
Total	1,733.85	1,669.56

21.4 Current maturities of long term debt

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

21.5 Term loans :

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

a) Term loan:

HBL Engineering Limited

AXIS Bank sanctioned term loan of ₹7,500.00 lakhs for refinancing the capital expenditure of the Company. The loan is secured by a first Paripassu charge on present and future assets (movable or immovable) of the company alongwith other term lenders.

TTL Electric Fuel Private Limited (subsidiary)

ICICI Bank sanctioned term loan of ₹1,071.00 lakhs for setting up of Electric Vehicle chargin infrastructure. The loan is secured by exclusive charge on present and future assets (movable) of the company. 2) Exclusive charge on the entire current assets of the company both present and future. 3) Unconditional irrevocable corporate guarantee of HBL Engineering Limited.

(₹ in Lakhs)

Name of the bank	Loan amount drawn	No of instalments	% of interest	Outstanding as on March 31,2025
Axis Bank	7,295.00	20 (QTLY) commencing from Sep 23	8.50	1,500.00
ICICI Bank Ltd (TTL EFL)	780.90	20 (QTLY) commencing from Dec 24	8.75	702.81



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

b) HDFC Bank - vehicle loan

The term loans are secured by exclusive hypothecation of vehicles acquired through execution of demand promissory notes and are repayable by equated monthly installments (EMIs) as per the loan schedule sanctioned by the bank.

21.6 As on the balance sheet date, there were no continuing defaults in repayment of borrowings and interest.

Note: 22

22.1 Provisions (non - current)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Provision for employee benefits		
Provision for earned leave encashment	347.15	251.82
Other Provisions:		
Provision for warranties	3,149.92	3,002.17
Provision for EPR expenses	636.62	-
Total	4,133.69	3,253.99

22.2 Provisions (current)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Provision for employee benefits		
Provision for earned leave encashment	72.85	88.18
Provision for gratuity	35.17	1.34
Other provisions		
Provision for warranties	1,996.24	1,750.50
Provision for EPR expenses	622.63	-
Provision for commission on profits to director	1,894.71	1,905.63
Total	4,621.60	3,745.65

Note: 23 Deferred tax liability (net)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Deferred tax liability (as per last balance sheet)	796.05	1,008.46
Add: Deferred tax (asset)/liability for the year	124.22	(212.41)
Total	920.27	796.05

Note: 24 Borrowings

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
A) Loans repayable on demand from banks (secured)		
State Bank of India	-	-
ICICI Bank Ltd	184.70	67.76
Axis Bank Ltd	-	-
Total (A)	184.70	67.76

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

	March 31, 2025	March 31, 2024
B) Other loans from banks (unsecured)		
Purchase bill discounting from Kotak Mahindra Bank Ltd	-	1,057.36
Purchase bill discounting from Axis Bank Ltd	1,139.90	575.48
Purchase bill discounting from ICICI Bank Ltd	1,826.43	266.33
Total (B)	2,966.33	1,899.17
C) Current maturities of long-term debt(refer note - 21.3)	1,733.85	1,669.56
Total (C)	1,733.85	1,669.56
Total (A + B + C)	4,884.88	3,636.49

24.1 Working capital loans

HBL Engineering Limited

- The unutilised demand loans from Banks are secured by a first charge on all the chargeable current assets and by a second charge on the property, plant and equipment (both present and future) of the Company. All the loans are guaranteed by some of the promoters in their personal capacity.
- The Company received sanction from ICICI Bank and Axis bank amounting ₹375 cr consisting fund based limit of ₹350 cr and non fund based limits of ₹25 cr for execution of specific order for locomotive Kavach received from Chittaranjan Locomotive works (CLW). The demand loans are secured by an exclusive first charge on the chargeable current assets/cash inflows of CLW order. Company has not utilised fund based limits as on 31.03.2025

TTL Electric Fuel Private Limited (subsidiary)

ICICI Bank sanctioned overdraft loan of ₹200.00 lakhs for setting up of Electric Vehicle charging infrastructure. The loan is secured by exclusive charge on present and future assets (movable) of the company. 2) Exclusive charge on the entire current assets of the company both present and future. 3) Unconditional irrevocable corporate guarantee of HBL Engineering Limited.

- 24.2** Purchase bill discounting from Axis Bank Ltd. is guaranteed by some of the promoters in their personal capacity and undated cheque of the Company equivalent to limit/standing instructions for making payment on due date. Purchase bill financing from ICICI Bank Ltd are unsecured and irrevocable mandate provided to bank for debiting to ICICI Bank cash credit account held with the bank on the relevant due dates.

Note: 25 Lease liability

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Lease liability	492.96	341.73
	492.96	341.73



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Note: 26 Trade payables

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Total outstanding dues of :		
Micro Enterprises & Small Enterprises (MESE)	1,481.40	1,492.61
Payables other than MESE	16,634.84	11,556.58
Total	18,116.24	13,049.19

26.1 Trade Payable aging schedule

(₹ in Lakhs)

Particulars	Outstanding for following periods from the date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As on 31.03.2025					
(i) MSME	1,481.40	-	-	-	1,481.40
(ii) Others	14,795.05	621.45	5.05	33.19	15,454.74
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
(v) Liability for materials	1,180.10	-	-	-	1,180.10
Total	17,456.55	621.45	5.05	33.19	18,116.24
As on 31.03.2024					
(i) MSME	1,491.35	-	-	-	1,491.35
(ii) Others	11,293.54	26.98	2.55	26.72	11,349.79
(iii) Disputed dues- MSME	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-
(v) Liability for materials	208.05	-	-	-	208.05
Total	12,992.94	26.98	2.55	26.72	13,049.19

Note: 27 Other financial liabilities - current (Refer Note No. 11.1)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Unpaid/unclaimed dividends (refer note - 27.1)	67.84	59.88
Trade deposits	146.47	151.53
Creditors for capital expenditure	430.03	183.56
Invoice mart payables	1,143.43	2,023.73
Statutory dues	769.55	1,774.88
Directors' current account	130.12	34.55
Accrued compensations to employees	1,994.35	2,326.36
Total	4,681.79	6,554.49

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

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Note: 28 Other current liabilities

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Advances against sales	5,598.06	4,882.65
Contract liabilities	1,814.02	2,440.02
Accrued expenses	2,066.54	1,192.02
Total	9,478.62	8,514.69

Note: 29 Current tax liabilities (net)

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Provision for income tax	21,707.01	12,503.80
Advance payment of income tax (including TDS)	21,371.57	11,740.43
Total	335.44	763.37

Note: 30 Revenue recognition

Accounting policy:

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

Performance obligations that are not satisfied over time are treated as performance obligations satisfied at a point in time which in case of goods are upon their despatch/delivery to domestic customers as per terms of sale and on the basis of proof of export/delivery for export customers as per terms of sale and in case of services are upon completion of service.

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Revenue from operations		
a) Sale of products	1,70,292.14	1,87,116.85
b) Sale of traded goods	1.98	21.32
c) Sale of services	25,073.45	35,007.23
d) Other operating revenue - sale of scrap	1,352.58	1,190.16
Total	1,96,720.15	2,23,335.56



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Note: 31 Other income

Accounting policy:

- i) Claims against outside agencies are accounted for on certainty of realization.
- ii) Interest income is recognized on an accrual basis using the effective interest rate (EIR) method. Dividends, are recognized at the time the right to receive is established.
- iii) Export incentives under various schemes are recognized as income on certainty of realization.
- iv) Foreign currency transactions
 - a) Transactions relating to non-monetary items and purchase and sale of goods/services denominated in foreign currency are recorded at the prevailing exchange rate or a rate that approximates to the actual rate on the date of transaction.
 - b) Assets & liabilities in the nature of monetary items denominated in foreign currencies are translated and restated at exchange rates prevailing at the end of the reporting period.
 - c) Exchange differences arising on account of settlement / conversion of foreign currency monetary items are recognized as expense or income in the period in which they occur. Foreign currency gains and losses are reported on a net basis.
 - d) For the purposes of presenting these CFS, the assets and liabilities of the group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in OCI and accumulated in equity (and attributed to non- controlling interests as appropriate).
 - e) On the disposal of a foreign operation (i.e. a disposal of the group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the parent Company are reclassified to profit or loss.
 - f) In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
a) Interest income		
Interest received on deposits with banks/others	1,131.42	621.73
Interest on IT refunds	34.32	11.95
b) Other non-operating income (net of directly attributable expenses)		
Exchange gains	1,039.28	632.13
Income received on Investments	75.58	
Miscellaneous income	328.10	524.93
(including gain / loss on termination / modification of leases)		
Total	2,608.70	1,790.74

Note: 32 Cost of material consumed

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Opening stocks	22,525.77	18,914.60
Purchases, material, components & consumables	1,06,140.32	1,24,445.22
	1,28,666.09	1,43,359.82
Less : Closing stocks	28,956.84	22,525.77
	99,709.25	1,20,834.05
Less : Internal capitalisation	1.68	-
Cost of material consumed	99,707.57	1,20,834.05

Note: 33 Changes in inventories of finished goods, stock-in-trade and work-in-progress

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
a) Manufactured goods		
i) Opening stocks		
a) Semi finished goods	10,906.38	7,553.36
b) Finished goods	8,477.27	5,935.94
Total (A)	19,383.65	13,489.30
ii) Closing stocks		
a) Semi finished goods	15,431.89	10,906.38
b) Finished goods	6,581.91	8,477.27
Total (B)	22,013.80	19,383.65
(Increase) / Decrease (C = A - B)	(2,630.15)	(5,894.35)
b) Traded Goods		
Opening stock of traded goods	3.17	18.32
Closing stock of traded goods	1.87	3.17
(Increase) / Decrease (D)	1.30	15.15
(Increase) / Decrease in inventory (C+D)	(2,628.85)	(5,879.20)



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Note: 34 Employee benefits expense:

Accounting policy:

i) Short term benefits:

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

ii) Post-employment benefits:

A) Defined contribution plans:

The contribution paid/payable under provident fund scheme, ESI scheme and employee pension scheme is recognised as expenditure in the period in which the employee renders the related service.

B) Defined benefit plans:

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

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

iii) Long term employee benefits:

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

iv) Disclosure as per Ind AS-19 -Employee benefits

a) Defined contribution plan:

HBL Engineering Limited

Contribution to defined contribution plan, recognised as expense for the year are as under:

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Employer's contribution to PF/ESI/ pension plan	983.84	792.61

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

b) Defined benefit plan:

HBL Engineering Limited

(i) Gratuity obligation of the Company :

To cover the employer's obligation towards gratuity, under the Payment of Gratuity Act, the Company has obtained actuarial valuation of the said liability. As per the valuation made under projected unit credit (PUC) method by the actuary, the fund required to be maintained, to cover the present value of past service benefit and current service cost, is fully funded/provided for by the Company. To meet the actual liability, the company has taken a group gratuity policy of the LIC of India and to keep the policy alive, the Company also paid the annual risk premium and recognised it as expense for the year.

Assets and liability (balance sheet position)

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Present value of obligation	2,901.13	2,570.23
Fair value of plan assets	2,867.76	2,597.01
Surplus / (deficit)	(33.37)	26.78
Effects of asset ceiling, if any	-	-
Net asset/(liability)	(33.37)	26.78

Expense recognized during the period (including premium paid)

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
In income statement (P&L a/c-expense provision)	311.91	223.76
In other comprehensive income (B/sheet item)	89.21	228.35

Characteristics of defined benefit plan and risks associated with it

Actuarial valuation method

The valuation has been carried out using the PUC method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost and, where applicable, past service cost and where applicable, past service cost.

The benefits valued

The benefit valued in this report are summarised below:

Type of plan	Defined benefit
Employer's contribution	100%
Employees' contribution	Nil
Salary for calculation of gratuity	Last drawn salary
Normal retirement age	58
Vesting period	5 Years
Benefit on normal retirement	Same as per the provisions of the Payment of Gratuity Act, 1972 (as amended from time to time).



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Type of plan	Defined benefit
Benefit on early retirement / termination / resignation / withdrawal	Same as normal retirement benefit based on the service upto the date of exit.
Benefit on death in service	Same as normal retirement benefit and no vesting period condition applies.
Limit	₹25,00,000
Gratuity formula	$(15/26) \times \text{last drawn salary} \times \text{number of completed years}$

Effect of any amendments, curtailments and settlements - not applicable in this case.

Explanation of amounts in financial statements

Changes in the present value of obligation

(₹ in Lakhs)

Particulars	For the period ending	
	March 31, 2025	March 31, 2024
Present value of obligation as at the beginning	2,570.23	2,174.39
Current service cost	213.22	185.03
Interest expense or cost	173.90	154.11
Actuarial (gains) / loss on obligations	113.32	207.51
Past service cost	2.47	-
Effect of change in foreign exchange rates	-	-
Benefits paid	(172.01)	(150.81)
Acquisition adjustment	-	-
Effect of business combinations or disposals	-	-
Present value of obligation as at the end	2,901.13	2,570.23
Bifurcation of net liability		
Current liability (short term)	595.95	472.00
Non-current liability (long term)	2,305.18	2,098.23
Net liability	2,901.13	2,570.23

Changes in the fair value of plan assets

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Fair value of plan assets as at the beginning	2,597.01	1,903.51
Acquisition adjustment	(3.62)	(14.82)
Expected return on plan assets	166.85	160.55
Contributions	255.00	717.25
Benefits paid	(172.01)	(150.81)
Actuarial gain/(loss) on plan assets	24.53	18.67
Fair value of plan assets as at the end	2,867.76	2,597.01

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Other comprehensive income

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Actuarial (gains) / losses - change in demographic assumptions	-	-
Actuarial (gains) / losses - change in financial assumptions	-	-
Actuarial (gains) / losses - experience variance	-	-
Actuarial (gains) / loss on obligations	113.32	207.51
Actuarial (gains) / loss on plan assets	24.53	(18.67)
Total other comprehensive income	88.79	226.18

(c) Long term compensated absences - leave encashment:

The present value of obligation for long term compensated absences is determined on actuarial valuation using PUC method and is charged to statement of profit and loss. The obligation is not funded.

Assets and liability (balance sheet position)

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Present value of obligation	419.84	335.48
Fair value of plan assets	-	-
Surplus / (deficit)	(419.84)	(335.48)
Effects of asset ceiling, if any	-	-
Net asset/(liability)	(419.84)	(335.48)

Expense recognized during the period

Particulars	March 31, 2025	March 31, 2024
In Income statement (P&L-expense provision)	244.66	142.64
Current service cost	65.14	45.09

Actuarial valuation method

The valuation has been carried out using the PUC Method as per Ind AS 19 to determine the present value of defined benefit obligations and the related current service cost and, where applicable, past service cost.

The benefits valued

The benefit valued in this report are summarised below:

Type of plan	Long term benefit
Employer's contribution	100%
Employees' contribution	NIL
Salary for calculation of leave encashment benefit	Last drawn salary
Normal retirement age	58
Vesting period	Not applicable
Benefit on normal retirement	Leave Salary (Gross Salary) subject to a maximum of 30 days' salary



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Type of plan	Long term benefit
Benefit on early retirement / termination / resignation / withdrawal	As above
Benefit on death in service	As above
Limit	Yes
Benefit formula	No. of days' leave encashable x last drawn salary

Changes in the present value of obligation

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Present value of obligation as at the beginning	335.48	264.66
Current service cost	45.09	45.09
Interest expense or cost	16.79	16.79
Actuarial (gain)/ loss on obligations	80.76	80.76
Past service cost	-	-
Effect of change in foreign exchange rates	-	-
Benefits paid	(71.82)	(71.82)
Acquisition adjustment	-	-
Effect of business combinations or disposals	-	-
Present value of obligation as at the end	406.30	335.48

Bifurcation of net liability

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Current liability (short term)	72.85	86.18
Non-current liability (long term)	346.99	247.30
Net liability	419.84	333.48

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Salaries & bonus	12,997.36	11,514.57
Contribution to provident & other funds	971.37	784.44
Gratuity	311.91	223.76
Staff welfare expenses	1,503.62	1,167.49
Recruitment & training	36.00	44.89
Remuneration to directors:		
Salaries & allowances	164.97	108.06
Contribution to provident fund	12.47	8.16
Commission on profits	1,894.71	1,905.63
Directors sitting fees	12.25	4.90
Total	17,904.67	15,761.92

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Note: 35 Borrowing costs

Accounting policy:

- Borrowing costs incurred for obtaining assets which take substantial period to get ready for their intended use are capitalized to the respective assets wherever the costs are directly attributable to such assets and in other cases by applying weighted average cost of borrowings to the expenditure on such assets.
- Other borrowing costs are treated as expense for the year.
- Significant transaction costs in respect of long-term borrowings are amortized over the tenor of respective loans using effective interest rate (EIR) method.

Disclosure as per Ind AS - 7

Statement of reconciliation for changes in liabilities arising from financing activities.

(₹ in Lakhs)

	Long-term borrowings	Working capital borrowings
Opening balance	3,965.43	1,966.93
Borrowed during the year	27.41	1,184.10
Repaid during the year	(1,670.57)	-
Net movement	(1,643.16)	1,184.10
Closing balance	2,322.27	3,151.03

Finance cost

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Interest on term loans	298.66	670.13
Interest on bank borrowings	111.00	114.32
Interest on vehicle loans	14.10	15.64
Interest on lease liability	118.19	107.91
Interest - others	195.74	18.27
Bank charges & commission	564.44	424.32
	1,302.13	1,350.59
Less: Transfers to pre-operative expenses	-	56.94
Total	1,302.13	1,293.65

Note: 36 Depreciation and amortization expense

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Depreciation on tangible assets	3,659.55	3,198.72
Amortisation on intangible assets	439.73	604.85
Amortisation on right of use assets	319.58	322.10
Total	4,418.87	4,125.67

Note: 37 Works contract expenses

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Works contract expenses	4,972.24	14,254.94
	4,972.24	14,254.94



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Note: 38 Manufacturing expenses

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Stores & spares consumed	2,170.62	1,918.73
Equipment lease rentals	39.21	104.15
Consumption of Consumable tools	206.77	165.47
Contract wages	11,377.45	10,600.99
Testing charges	271.91	227.82
Power and fuel	6,590.86	6,216.66
	20,656.83	19,233.82

Note: 39

	March 31, 2025	March 31, 2024
A) Administrative expenses		
Rent	325.76	293.19
Rates, duties & taxes	441.04	488.17
Insurance	482.41	475.34
Professional & consultancy charges	1,494.75	1,516.92
Expenditure incurred on corporate social responsibility activities	417.80	178.94
Repairs and maintenance	2,193.41	1,833.87
Travelling and conveyance	1,591.92	1,584.00
Sundry expenses	1,470.74	1,207.97
Payments to auditors	76.69	75.55
Audit expenses	13.43	8.74
Loss on fair value change in Investment	72.66	
Advances & deposits written off	28.10	174.24
	8,608.71	7,836.93
B) Selling expenses		
Freight & insurance on sales	3,858.09	4,655.36
Commission on sales	756.64	396.76
Reversal of credit impaired	(42.84)	-
Lifetime expected credit loss	560.69	955.43
Provision for warranties	393.50	1,550.06
Provision for EPR expenses	1,359.73	-
Installation charges paid	693.52	789.08
Televan hire charges	-	0.01
Other selling expenses	707.75	581.97
Total	8,287.08	8,928.67

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

39.1 Provision for warranties:

During the year, there is reduction in supplies to telecom companies which in the past had a higher warranty/replacement provision. Hence, the provision is lower compared to previous year.

39.2 Provision for extended producer responsibility:

Pursuant to the notification dated 22nd August, 2022 issued by Ministry of Environment, Forest & Climate change under the Battery waste management rules, 2022, the Company has the obligation of Extended Producer Responsibility (EPR) to meet the collection and recycling and/or refurbishment of certain percentage of the quantity of batteries placed in the market. The recovery of the minimum percentage is the percentage of total weight of all recovered materials out of dry weight of the batteries. It also has the obligation to the minimum use of the domestically recycled materials in the new battery. The Company can discharge the obligation by purchasing the EPR certificates from the recycler or refurbish player. In accordance with the regulations, the Company has made provision for the percentage of quantities placed for the period up to 31st March 2025. The obligation was discounted, and the net present value of the obligation worked out to ₹1,089.89 lakhs, of which the company purchased EPR certificates worth ₹99.50 lakhs.

Pursuant to the contractual obligation provision towards Recycling of batteries is provided at discounted value amounting to ₹268.85 lakhs in HBL America in the current financial year.

Note: 40 Exceptional items of (income)/expenditure

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Loss on fire accident	-	48.34
Impairment / diminution In value of investments	2.68	-
(Profit)/loss on sale of assets	(8.77)	10.48
(Profit)/Loss on sale and exchange of land	(15.49)	(4.31)
Assets written off	119.85	2,696.17
Other liabilities written back	-	57.57
	98.26	2,808.25

Note: 41 Current tax and deferred tax

Accounting policy:

i) Taxation

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

ii) Current tax

The tax currently payable is based on taxable profit for the year. Taxable profits differ from the profit as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are not taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted upto the end of the reporting period.



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

iii) Deferred tax

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

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

iv) Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

v) Income tax and sales tax assessments:

Taxes were paid in accordance with income tax returns filed and were charged off to revenue. In respect of pending assessments, the liability, if any, that may arise upon completion of assessments is not ascertainable at this stage. During the year, in the income tax assessments, there were no transactions that were not recorded in the books of accounts but have been surrendered or disclosed as income.

Disclosure as per Ind AS -12 -Income tax

a) A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income tax is summarized as follows: The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Profit before tax	37,384.69	37,678.47
Current tax @ 25.168% (A)	9,408.98	9,482.92
Effect of unused tax losses of subsidiaries / associates	(70.33)	69.01
Others	(257.67)	(229.82)
Total (B)	(328.00)	(160.81)
Income tax expense recognised in statement of profit and loss (A - B)	9,736.97	9,643.73

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

b) The income tax on other comprehensive income

(₹ in Lakhs)

Particulars	Year ended March 31, 2025	Year ended March 31, 2024
Income tax benefit arising on income / (expense) recognised in other comprehensive income		
Tax on remeasurement of defined benefit plan	(22.46)	(57.48)
Others	(6.26)	(2.18)
Income tax benefit recognised in other comprehensive income	(28.72)	(59.67)

c) Details of income tax assets and Income tax liabilities are as follows:

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Advance tax / MAT credit / TDS	21,371.57	11,740.43
Provision for income tax	(21,707.01)	(12,503.80)
Asset / (liability)	(335.44)	(763.37)

d) The gross movement in the current income tax asset / (liability) is as follows:

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Net current income tax asset / (liability) at the beginning	(763.37)	286.66
Add : income tax paid / adjusted (Net of refunds received)	(21,279.08)	(10,515.00)
Less : Provision for current tax	21,707.01	9,464.97
Net current income tax asset / (liability) at the end	(335.44)	(763.37)

e) The tax effects of significant temporary differences that resulted in deferred income tax asset and liability are as follows:

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
Deferred tax liability		
Property, Plant and Equipment	1,308.88	1,145.67
Total	1,308.88	1,145.67
Deferred tax asset		
Employee benefits	105.71	85.57
Provision for bad debts	207.59	267.07
Other comprehensive income	75.31	(2.18)
Others	-	(0.83)
Total	388.61	349.62
Deferred tax liability after set off of deferred tax asset	920.27	796.05

f) The gross movement in the deferred income tax account is as follows:

(₹ in Lakhs)

	March 31, 2025	March 31, 2024
Net deferred tax liability at the beginning	796.05	1,008.45
Credit / (charge) relating to temporary differences	124.22	(212.40)
Net deferred income tax liability at the end	920.27	796.05



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Note: 42 Earnings Per Share (EPS)

Accounting policy:

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

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

Computation of EPS (basic & diluted)

	March 31, 2025	March 31, 2024
Profit before OCI	27,647.72	28,034.74
Profit after OCI	27,606.65	27,911.27
No. of shares (basic)	27,71,94,946	27,71,94,946
No. of shares (diluted)	27,71,94,946	27,71,94,946
EPS Before OCI		
Basic ₹	9.97	10.11
Diluted ₹	9.97	10.11
EPS after OCI		
Basic ₹	9.96	10.07
Diluted ₹	9.96	10.07

Note: 43 Other Disclosure as per schedule III of the act and Ind AS:

43.1 Movement of warranties provisions:

(₹ in Lakhs)

Particulars	March 31, 2025	March 31, 2024
a) the carrying amount at the beginning of the period	4,752.67	3,202.61
b) additional provisions made in the period, including increases to existing provisions	3,109.36	4,325.75
c) amounts reversed on completion of warranty period	(2,776.62)	(2,257.76)
d) unused amounts reversed during the period	-	-
e) the increase during the period in the discounted amount arising from the passage of time and the effect of any change in the discount rate.	60.75	(517.93)
f) the carrying amount at the end of the period ;	5,146.16	4,752.67

Unused amounts of provision for warranties represents provision reversed from the opening balance (after warranty period). It is expected that provision for warranties will be incurred in the next 12 to 96 months. Actual expenditure incurred during warranty period towards replacements etc. is charged off under respective heads of expenditure.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

43.2 Contingent liabilities not provided for and commitments:

All known and undisputed claims and liabilities where there is a present obligation as a result of past events and it is probable that there will be an outflow of resources, have been duly provided for. The contingent liabilities and commitments are as under:

(₹ in Lakhs)

Nature of contingent liability	March 31, 2025	March 31, 2024
i) Contingent liabilities not provided for:		
HBL Engineering Limited		
a) Claims against the Company not acknowledged as debts towards :		
Excise duty	2,169.92	2,472.78
Sales tax [#]	673.91	690.52
Custom duty [#]	488.70	488.70
Service Tax [#]	194.90	194.90
Goods and service tax [#]	66.97	38.98
Property tax	242.03	242.03
Fuel surcharge adjustment	295.04	224.23
Erstwhile promoters of SCIL Infracon Private Limited*	542.04	542.04
Others	329.13	227.93
b) Un-expired guarantees issued on behalf of the Company by banks for which the Company gave counter guarantees	20,709.17	16,695.89
Corporate guarantee given to bank on behalf of subsidiary in respect of loan taken by them	1,271.00	1,271.00
ii) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for	6,812.78	1,493.91

[#]Company made deposit of ₹224.88 lakhs against these contingent liabilities.

*The erstwhile promoters of M/s. SCIL Infracon Private Limited filed a petition with the Sole Arbitrator making several new claims against the Company and others. The Arbitration award allowed, only one claim of theirs, relating to Unsecured Loans of ₹208 lakhs to be paid along with interest of 12% p.a., effective from 31.01.2011 till the date of the payment. On an appeal preferred by the Company against the arbitral award, the Hon'ble Civil Court granted stay on the operation of the award on condition of depositing 50% of the amount awarded with interest till date of the order. The Company deposited the 50% amount along with interest amounting to ₹271.02 lakhs on 17th April 2023 in compliance of the Hon'ble Civil Court's order as modified by the Hon'ble High Court. However, the appeal against the arbitral award is yet to be decided by the Hon'ble Civil Court and the matter is still sub-judice. The company's legal counsel, based on the facts of the case, opined that the claim is not admissible and is likely to be dismissed by the Hon'ble City Civil Court. Based on the above facts, the claim is not acknowledged as debt against the company and is appropriately reported as a contingent liability.

The group has other commitments, for purchase / sale orders which are issued after considering requirements per operating cycle for purchase / sale of goods and services, employee benefits in the normal course of business. The group does not have any long term commitments or material non-cancellable contractual commitments / contracts, which might have material impact on the financial statements.

43.3 Commitment towards dividend

The Board of the parent Company in its meeting held on May 24, 2025 has recommended a dividend of ₹ 1/- per Equity Share of ₹1/- each for the financial year ended March 31, 2025. The recommendation is subject to the approval of shareholders at the ensuing annual general meeting, and if approved would result in a cash outflow of ₹2,771.95 lakhs towards dividend.



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

43.4 Contingent assets:

During the year 2011, some assets at one of the plants of the parent Company, were damaged due to heavy rains. The parent Company's claim for the loss was repudiated by the insurers. A case was filed for recovery of the claim of ₹234.60 lakhs towards loss suffered apart from interest thereon. The matter is sub judice.

During the year 2014, there was a heavy damage to the assets and inventory at two plants of the parent Company, due to hud-hud cyclone. The Company's claim for the resultant losses was partly allowed by the insurer and the balance claims were repudiated. The matter relating to the claim of ₹400 lakhs towards damage to assets and inventory and ₹921.75 lakhs towards loss of profits, apart from interest thereon, on being referred to arbitration was partly awarded infavour of the parent company. Subsequently on an appeal by the insurer further proceedings of arbitration were stayed by the Commercial Court. The matter is sub judice.

43.5 Confirmation of balances

The parent Company had sent letters seeking confirmation of balances to various parties under trade payables, trade receivables, advance to suppliers and others, advance from customers. Based on the confirmations received and upon proper review, corrective actions have been initiated and the amounts have been trued up, accounting adjustments have been made wherever found necessary. Such confirmations are awaited from some parties, comprising of government departments and public sector undertakings.

43.6

In the opinion of the management, assets other than fixed assets and non-current investments have a value, on realisation in the ordinary course of business, which is at least equal to the amount at which they are stated in the financial statements.

43.7 Relationship with struck off companies:

The group has engaged services of third party to carry out the exercise of machine matching of the names of its active customers/vendors with the list of "Struck Off companies" hosted in the MCA website. There are no reportable cases for the reporting period.

43.8 Disclosure as per Ind AS- 24 - Related party disclosures

1	Associate Companies	Naval Systems & Technologies Private Limited Tonbo Imaging India Private Limited	
2	Investee Company	Tonbo Imaging Pte Ltd, Singapore	
3	Key Management Personnel	Dr A J Prasad Kavita Prasad Aluru M S S Srinath M Advay Bhagirath M Deeksha E Sairam GBS Naidu N. Prabhakar Murthy K. Gyan Sagar Cmde. Arvind Sharma (Retd.) Aravind Lakshmikumar	Chairman & Managing Director Director Whole-Time Director w.e.f 27.05.2024 Non-Excutive Director up to 04.11.2024 Non-Excutive Director Chief Financial Officer Company Secretary Director of SCIL Infracon Private Limited Former promoter and Director of SCIL CEO / Director of Associate Company Director of Tonbo Imaging India Pvt Ltd

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Non-Executive Directors

P. Ganapathi Rao
Preeti Khandelwal
K Venkat Sriram
Richa Datta
S Narsing Rao
Aparna Surabhi

Independent Director up to 13.11.2024
Independent Director up to 13.11.2024
Independent Director
Independent Director
Independent Director
Independent Director w.e.f 27.05.2024

Disclosure of transactions with related parties and the status of outstanding balances.

(₹ In Lakhs)

Sl. No.	Name	Nature of transaction	Transactions during the year	As on March 31, 2025	
				Gross receivables (un-secured)	Gross payables
1	Associate	Acquisition of preference shares	-		
			(8,667.42)		
		Sale of goods	0.00	(4.13)	
			(6,884.90)	(4.13)	
		Purchase of goods	0.00		
			(4,167.79)		
2	Investee Company	Acquisition of preference shares	-		
			(0.23)		
3	Key management personnel	Remuneration paid	331.18	-	
			(298.45)		
		Commission on profits	1,894.71	-	
			(1,905.63)		2,024.83 (1,943.20)
		Rent paid	9.84	-	
			(9.35)		
		Sitting fee paid to Non-Executive Directors	-	-	-
			(4.90)	-	-

Figures in brackets represent previous year balances

43.9 Disclosure as per Ind AS-108 - Operating segments

The group's operations include batteries of different types, electronics, railway signalling contracts etc. Except for batteries and electronics, the segment revenue, segment results and segment assets and liabilities of other activities are individually below the threshold limit set out in paragraph 27 of Ind AS 108. Accordingly batteries and electronics segments are shown separately as reportable segments and others are included in un-allocated segment.

- 1) Business segments: batteries and electronics segments have been considered as primary business segments for reporting under Ind AS 108 - operating segments issued by Ministry of Corporate Affairs.



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

- 2) In the opinion of the management the other segments being railway signalling contracts and others are not reportable business segments of the group as per paragraph 27 of Ind AS 108 - operating segments

(₹ In Lakhs)

	March 31, 2025		March 31, 2024	
Segment revenue				
Batteries				
Exports	35,289.63		22,952.83	
Domestic sales	1,04,371.08	1,39,660.71	1,19,326.36	1,42,279.19
Defence & Aviation				
Exports	8,724.03		3,921.57	
Domestic sales	13,998.14	22,722.17	14,039.59	17,961.16
Electronics				
Exports	1,166.01		1,755.84	
Domestic sales	28,671.82	29,837.83	52,311.13	54,066.97
Unallocated				
Exports	-		-	
Domestic sales	4,966.27	4,966.27	9,813.48	9,813.48
Total		1,97,186.98		2,24,120.80
Less : Inter-segment revenue		466.83		785.24
Net revenue		1,96,720.15		2,23,335.56
Identifiable operating expenses				
Batteries	1,03,548.22		1,09,164.24	
Defence & Aviation	11,036.35		9,024.63	
Electronics	23,178.87		40,322.11	
Unallocated	7,275.09	1,45,038.53	9,838.47	1,68,349.45
Allocated expenses				
Batteries	3,974.50		5,334.41	
Defence & Aviation	653.53		(22.49)	
Electronics	3,120.01		3,716.12	
Unallocated	2,725.84	10,473.88	2,111.78	11,139.82
Segment operating income		41,207.74		43,846.29
Unallocable expenses		6,421.88		5,625.79
Operating profit		34,785.86		38,220.50
Other Income		2,608.70		1,790.74
Profit before Interest and Exceptional		37,394.56		40,011.24
Exceptional Items - Income/(Expenses)		(98.26)		(2,808.25)
Interest Expenses		1,302.13		1,293.65
Share in Profit / (Loss) of Associate / Joint Venture		1,390.54		1,769.12
Minority Interest-C/Y share of Profit/(Loss)		(44.29)		(53.89)
Profit before Income taxes		37,428.98		37,732.35
Income tax expenses		9,736.97		9,643.73
Net profit		27,692.01		28,088.63

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

	March 31, 2025		March 31, 2024	
Segment depreciation (including amortisation of intangible assets)				
Batteries		1,583.46		2,056.44
Defence & Aviation		847.63		395.10
Electronics		1,110.27		926.25
Unallocated		877.51		747.88
Total		4,418.87		4,125.67
Segment assets				
Batteries		74,674.80		68,411.18
Defence & Aviation		29,754.07		19,255.08
Electronics		35,146.88		30,167.13
Unallocated		58,373.79		47,576.21
Defence & Aviation				
Total Assets		1,97,949.53		1,65,409.60
Segment liabilities				
Batteries		18,750.20		10,736.56
Defence & Aviation		2,306.68		3,330.08
Electronics		14,875.41		17,344.13
Unallocated (includes Term Loans and Bank Loans)		12,529.17		10,453.45
Total Liabilities		48,461.46		41,864.22

43.10 a) Subsidiary, Associate and Joint Venture Company(ies) considered/not considered in the preparation of the CFS.

(₹ In Lakhs)

Name of Entity	Principal place of business	Country of incorporation	Ownership interest & voting right	
			March 31, 2025	March 31, 2024
Considered for CFS:				
Subsidiary Companies				
HBL Germany GMBH	Zwickau	Germany	100%	100%
HBL America Inc.	Connecticut	U.S.A.	100%	100%
Torquedrive Technologies Private Limited	Hyderabad	India	100%	100%
TTL Electric Fuel Private Limited	Hyderabad	India	60%	60%
Associate Company				
Naval Systems & Technologies Private Limited	Hyderabad	India	41%	41%
Tonbo Imaging India Private Limited	Bangalore	India	11.13%	15.83%



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Not Considered for CFS (refer note 43.10(b) below):

b) Change in the group composition :

- i) The parent Company's wholly owned subsidiary SCIL Infracon Pvt Ltd had filed for dormant status with the Registrar of Companies as at the year ended March 31, 2019. The parent company's investment in the entity had been fully provided for. In view of the foregoing, it has not been considered for consolidation as at March 31, 2025 as in previous year.
- ii) HBL Tonbo Private Limited (HTPL) was incorporated by HBL Engineering Limited and Tonbo Imaging India Private Limited incorporated on September 12, 2022 with a sharing ratio of 51:49. There were no commercial operations since inception of HTPL. An application under Section 248 (2) of the Companies Act, 2013 was made during FY 22-23 for striking off the name of the Company and is under process with Ministry of Corporate Affairs. In view of the same, a provision for diminution of 100% value of investment in equity shares of HTPL of ₹51,000 has been made during the previous reporting period.

Note: 44

Additional information as required by Paragraph 2 of the General Instruction for preparation of CFS to Schedule III to the Companies Act, 2013 is attached.

Note: 45

Form AOC -1 as required under Section 129 (3) of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 is attached.

Note: 46

Previous years figures have been regrouped / reclassified wherever necessary to correspond with the current year classifications / disclosures.

As per our report of even date annexed

For **L N R Associates**
Chartered Accountants
FRN No. 053815

On behalf of the board

Raghuram Vedula

Partner
M.No : 242883
UDIN : 25242883BMIRNF7501
Place : Hyderabad
Date : May 24, 2025

Dr A J Prasad

Chairman & Managing Director
DIN : 00057275

Sairam Edara

Chief Financial Officer

M S S Srinath

Whole-time Director
DIN : 00319175

GBS Naidu

Company Secretary

Kavita Prasad Aluru

Director
DIN : 00319292

Place : Hyderabad
Date : May 24, 2025

for the year ended March 31, 2025

ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT 2013: (Refer Note: 46)

(₹ In Lakhs)

Name of the entity		Net assets i.e. total asset less total liabilities		Share in profit/ (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or(loss)	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent	HBL Engineering Limited	98.55%	1,46,130.88	96.75%	26,748.95	77.84%	(66.44)	96.81%	26,682.51
	(Formerly known as HBL Power Systems Limited)								
Subsidiaries	Foreign								
	HBL Germany GMBH	-0.01%	(13.39)	0.77%	214.01	3.95%	(3.37)	0.76%	210.64
	HBL America Inc.	-0.42%	(625.36)	-0.80%	(221.25)	17.85%	(15.24)	-0.86%	(236.49)
	India								
Associates *	Torquedrive Technologies Private Limited	-0.20%	(291.83)	0.02%	5.35	-	-	0.02%	5.35
	TTL Electric Fuel Private Limited	-0.06%	(92.00)	-0.43%	(118.72)	-	-	-0.43%	(118.72)
	India								
	Naval Systems & Technologies Private Limited	0.87%	1,296.60	0.76%	210.22	-	-	0.76%	210.22
	Tonbo Imaging India Private Limited	1.26%	1,869.91	2.93%	809.16	0.36%	(0.31)	2.93%	808.85
	Total	100%	1,48,274.81	100%	27,647.72	100%	(85.36)	100%	27,562.36
Non controlling interest	India								
	TTL Electric Fuel Private Limited (Pref. Shares)		(42.46)		44.29		-		44.29
			1,48,232.35		27,692.01		(85.36)		27,606.65

*Investments as per Equity method

Note: Subsidiary entity SCIL Infracon Private Limited has not been considered in the current year for reasons stated in Note no.45 (b) (i)

Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

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

Part "A" : Subsidiaries

(₹ in Lakhs)

Sl. No.	Name of subsidiary company	Reporting period	Reporting currency	Exchange rate on the last date of the financial year	Share capital	Other equity	Total assets (excluding investment)	Total liabilities	Turnover	Profit before taxation	Provision for tax & def. tax	Profit after taxation	Dividend proposed	% of Shareholding
1)	HBL Germany, GmbH	31.03.2025	EURO	90.22	92.32	(13.39)	1,775.55	1,774.02	5,179.46	204.07	-	204.07	-	100
2)	HBL America, Inc	31.03.2025	USD	85.58	323.02	(179.63)	3,471.08	3,327.68	6,582.80	6.43	10.82	(4.39)	-	100
3)	Torquedrive Technologies Private Limited	31.03.2025	INR	-	464.10	(291.83)	173.15	0.75	-	7.51	2.16	5.35	-	100
4)	TTL Electric Fuel Private Limited	31.03.2025	INR	-	362.50	(494.21)	1,427.84	604.90	856.90	(113.21)	5.51	(118.72)	-	60

Note: Subsidiary entity SCIL Infracon Private Limited has not been considered in the current year for reasons stated in Note no. 43.10 (b) (i)



CHAIRMAN'S MESSAGE



STATUTORY REPORTS



FINANCIAL STATEMENTS



Notes forming part of the consolidated financial statements

for the year ended March 31, 2025

Part "B" : Associate

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to associate Companies.

Sl. No.	Name of the company	Naval Systems & Technologies Pvt Limited	Tonbo Imaging India Private Limited
	Associates/Joint Venture	Associate	Associate
1	Latest audited balance sheet date	31.03.2025	31.03.2025
2	Shares held by the company at the year end		
	Number of shares	41,000	81,630
	Amount of investment (₹ in Lakhs)	4.10	8667.42
	Extent of holding %	41	11.13
3	Description of how there is significant influence	Common Directors	Control
		(₹ in Lakhs)	(₹ in Lakhs)
4	Networth attributable to shareholding as per latest audited balance sheet	1,239.20	10,537.32
5	Profit/(Loss) for the year after tax	512.73	7,267.23
	Less : adjustment for pref.dividend	-	-
	Add : Tax expenses	187.04	2,645.76
	Less : Other comprehensive income (net of taxes)	-	2.83
	Profit/(Loss) after adjustments	699.77	9,915.82
	i. Considered in Consolidation (Profit before taxes)	286.91	1,103.63
	ii. Considered in Consolidation (Tax expenses)	76.69	294.47
	iii. Considered in Consolidation (OCI)	-	0.31
	vi. Total considered in Consolidation	210.22	808.84
	v. Not Considered in Consolidation	302.51	6,458.39

As per our report of even date annexed

 For **L N R Associates**

Chartered Accountants

FRN No. 053815

On behalf of the board

Raghuram Vedula

Partner

M.No : 242883

UDIN : 25242883BMIRNF7501

Place : Hyderabad

Date : May 24, 2025

Dr A J Prasad

Chairman & Managing Director

DIN : 00057275

Sairam Edara

Chief Financial Officer

M S S Srinath

Whole-time Director

DIN : 00319175

GBS Naidu

Company Secretary

Kavita Prasad Aluru

Director

DIN : 00319292

Place : Hyderabad

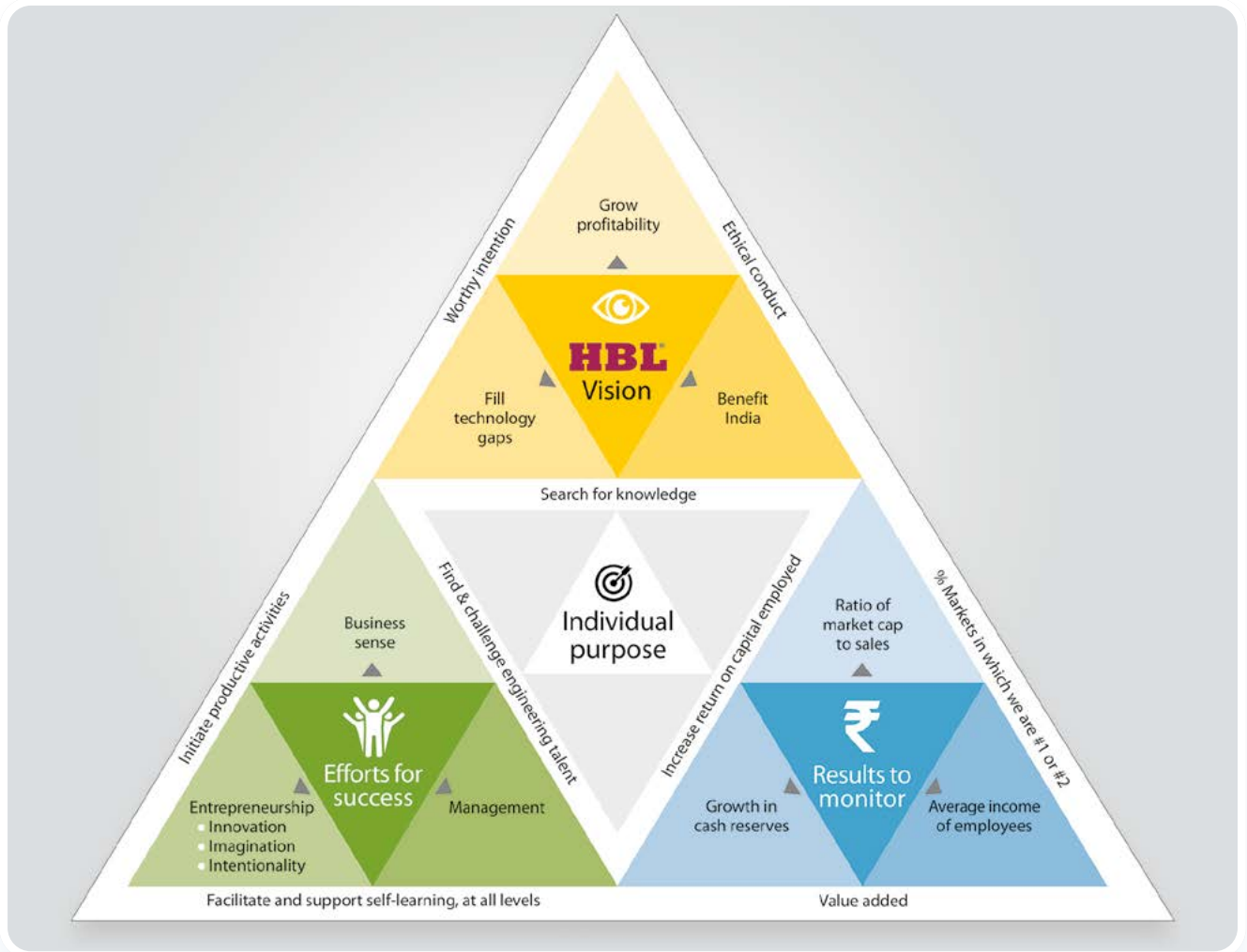
Date : May 24, 2025

Notes

Notes

THE HBL TRIANGLE

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



VALUES



HBL[®]

HBL ENGINEERING LTD

CIN: L40109TG1986PLC006745

8-2-601

Road No.10, Banjara Hills

Hyderabad 500034

Telangana, India

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