



HBL Power Systems Limited

CIN -L40109TG1986PLC006745

Registered Office: 8-2-601, Road No 10, Banjara Hills, Hyderabad, - 500034, Telangana, India

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NOTICE OF COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF HBL POWER SYSTEMS LIMITED AND POSTAL BALLOT

Court Convened Meeting	
Day	Saturday
Date	September 17, 2016
Time	10.00 a.m.
Venue	KLN Prasad Auditorium, FTAPCCI, FTAPCCI Marg, Red Hills, Lakdikapul, Hyderabad - 500004, Telangana State.

Postal Ballot	
Commencing on	9 a.m. 19 August, 2016
Ending on	5 p.m. 17 September, 2016

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**HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND STATE OF ANDHRA PRADESH
(ORIGINAL JURISDICTION)**

COMPANY APPLICATION No. 1111 OF 2016

In the matter of Companies Act, 1956 (1 of 1956)
And
In the matter of Sections 391 and 394 of the said Act
And
In the matter of M/s. HBL Power Systems Limited
And
In the matter of M/s. Beaver Engineering and Holdings Private Limited
And
Their Respective Shareholders and Creditors

M/s. HBL Power Systems Limited

a Company registered under the Companies Act, 1956
and having its registered office at 8-2-601,
Road No.10, Banjara Hills, Hyderabad – 500 034,
Telangana, Represented by its Director
Mr. MSS Srinath

... Applicant/
Transferee Company

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF HBL POWER SYSTEMS LIMITED

To,

The Equity Shareholder(s) of HBL Power Systems Limited (“Transferee Company” or “Applicant Company”)

Take Notice that by an order made on 11th August, 2016, the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh has directed a meeting of the equity shareholders of the Transferee Company to be held at 10.00 A.M. on Saturday, September 17, 2016 at KLN Prasad Auditorium, FTAPCCI, FTAPCCI Marg, Red Hills, Lakdikapul, Hyderabad - 500004, Telangana State, to consider and approve the proposed Scheme of Arrangement and Amalgamation of Beaver Engineering and Holdings Private Limited (“Transferor Company”) and HBL Power Systems Limited (“Transferee Company”) and their respective Shareholders and Creditors (“Scheme”).

Take further notice that in pursuance of the said Order, a meeting of the equity shareholders of the Transferee Company will be held at 10.00 A.M. on Saturday, September 17, 2016 at KLN Prasad Auditorium, FTAPCCI, FTAPCCI Marg, Red Hills, Lakdikapul, Hyderabad, Telangana 500004, at which place, day, date and time you are requested to attend and approve the Scheme by passing the following resolutions:

RESOLVED THAT pursuant to the provisions of Section 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956 and Companies Act, 2013 and enabling provisions in the Company's Memorandum of Association and Articles of Association and subject to the sanction of the Hon'ble High Court of Hyderabad or such other competent authority as may be applicable, the proposed Scheme of Arrangement and Amalgamation between Beaver Engineering & Holdings Private Limited and HBL Power Systems Limited and their respective shareholders and creditors ('the Scheme'), as per the terms and conditions mentioned in the Scheme placed before the meeting and initiated by the Chairman of the meeting for the purposes of identification, be and is hereby approved.

RESOLVED FURTHER THAT subject to such approvals as may be required, reorganization of the Share Capital of Transferee Company, as per the terms and conditions mentioned in the Scheme of Arrangement and Amalgamation (“Scheme”) be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors, the Committee of Directors constituted for the above purpose, Dr. A J Prasad, Chairman and Managing Director, and/or Mr. MSS Srinath, Director, and/or Mr. MVSS Kumar, Company Secretary, and/or Mr. K Mahidhar, Vice President – Finance, or such other person as may be authorized by the Board of Directors, be and is hereby severally authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh while sanctioning the arrangements embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme.”

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of the

Applicant Transferee Company will be held at the KLN Prasad Auditorium, FTAPCCI Marg, Red Hills, Lakdikapul, Hyderabad, Telangana 500 004 on Saturday, September 17, 2016 at 10.00 A.M. at which place, day, date and time you are requested attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you, or your authorised representative is deposited at the Registered Office of the Transferee Company at 8-2-601, Road No.10, Banjara Hills, Hyderabad – 500 034, Telangana State.

The Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and Andhra Pradesh has appointed Ms. P. Sumita, Advocate, to be the Chairperson of the said meeting.

A copy of the Explanatory statement under section 393 of the Companies Act, 1956, the Scheme of Arrangement, the Observation Letter of BSE Limited and the National Stock Exchange Limited, Complaints Report, Fairness Opinion, Form of proxy and Attendance slip are attached to and form part of this explanatory statement.

Place : Hyderabad
Date : 12th August, 2016

Sd/-
Ms. P. Sumita,
Chairperson appointed
for the meeting of Equity Shareholders
2-3-670, Flat No.105, Venkatadri Apartments,
CPL Main Road, Amberpet, Hyderabad-500013

Notes for court convened meeting:

1. All alterations made in the Form of Proxy should be initialled.
2. Only Equity Shareholders of the Transferee Company may attend and vote (either in person or by proxy or by authorized representative under applicable provisions of the Companies Act) at the Equity shareholders' meeting. The authorized representative of a body corporate which is a registered equity shareholder of the Transferee Company may attend and vote at the meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend at the meeting is deposited at the registered office of the Transferee Company not later than 48 hours before the schedule time of the commencement of meeting.
3. A registered equity shareholder of the Transferee Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Transferee Company.
4. Registered equity shareholders who hold shares in dematerialized form are requested to bring their Client ID and DP ID details for easy identification of the attendance at the meeting.
5. Equity shareholders are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Transferee Company in respect of such joint holding will be entitled to vote.
6. The notice is being sent to all equity shareholders, whose name appeared in the register of members as on August 5, 2016. This notice of the Court Convened Meeting of the equity shareholders of the Transferee Company is also displayed/ posted on the website of the Transferee Company - www.hbl.in.
7. Foreign Portfolio Investors (FPIs) who are registered equity shareholder(s) of the Transferee Company would be required to deposit certified copies of Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the registered office of the Transferee Company not later than 48 hours before the meeting.

HBL Power Systems Limited

CIN - L40109TG1986PLC006745

Registered Office: 8-2-601, Road No 10, Banjara Hills, Hyderabad, - 500034, Telangana, India
Tel: +91-40-23355575 **Fax:** +91-40-23355048 **E-mail:** contact@hbl.in; investor@hbl.in **Website:** www.hbl.in



NOTICE OF POSTAL BALLOT AND E-VOTING

(NOTICE PURSUANT TO SECTION 110 OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF COMPANIES ACT, 2013 READ WITH THE COMPANIES (MANAGEMENT AND ADMINISTRATION) RULES, 2014 FURTHER READ WITH REGULATION 44 OF SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("SEBI (LODR) REGULATIONS") AND SEBI CIRCULAR NO. CIR/CFD/CMD/16/2015 DATED 30th NOVEMBER, 2015 ("SEBI CIRCULARS")

To,

The Equity Shareholder(s) of HBL Power Systems Limited

("The Transferee Company" or "Applicant Company")

Notice is hereby given to the equity shareholders of HBL Power Systems Limited ("the **Transferee Company**") pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the **Act**") read with the Companies (Management and Administration) Rules, 2014 ("the **Rules**") (including any statutory modification or re-enactment thereof for the time being in force) and Regulation 44 of the SEBI LODR Regulations (erstwhile Clause 35B of the Listing Agreement) and SEBI Circular no. CIR/CFD/CMD/16/2015 dated 30th November, 2015 ("**SEBI Circulars**"), to consider, and if thought fit, to pass, with or without modification(s) the Resolution set out below through Postal Ballot and e-voting.

RESOLVED THAT pursuant to the provisions of Section 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956 and Companies Act, 2013 and enabling provisions in the Company's Memorandum of Association and Articles of Association and subject to the sanction of the Hon'ble High Court of Hyderabad or such other competent authority as may be applicable, the proposed Scheme of Arrangement and Amalgamation between Beaver Engineering & Holdings Private Limited and HBL Power Systems Limited and their respective shareholders and creditors ('the Scheme'), as per the terms and conditions mentioned in the Scheme placed before the meeting and initiated by the Chairman of the meeting for the purposes of identification, be and is hereby approved.

RESOLVED FURTHER THAT subject to such approvals as may be required, reorganization of the Share Capital of Transferee Company, as per the terms and conditions mentioned in the Scheme of Arrangement and Amalgamation ("Scheme") be and is hereby approved.

RESOLVED FURTHER THAT the Board of Directors, the Committee of Directors constituted for the above purpose, Dr. A J Prasad, Chairman and Managing Director, and/or Mr. MSS Srinath, Director, and/or Mr. MVSS Kumar, Company Secretary, and/or Mr. K Mahidhar, Vice President – Finance, or such other person as may be authorized by the Board of Directors, be and is hereby severally authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangements embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble High Court Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh while sanctioning the arrangements embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme."

The Audit Committee and the Board of Directors of the Transferee Company at their meetings held on March 23, 2016, have approved the Scheme, subject to approval by the requisite majority of the equity shareholders of the Transferee Company, as may be required, and subject to the sanction of the Hon'ble High Court of Judicature at Hyderabad and of such other authorities as may be necessary'.

In terms of the SEBI Circulars, the Scheme shall be acted upon only if the votes cast by the public shareholders of the Transferee Company in favour of the proposal are more than the votes cast by the public shareholders against the proposal.

If an equity shareholder has opted for E-voting, then he/she should not vote by Postal Ballot and vice-versa. However, in case equity shareholders cast their vote both via Postal Ballot and E-voting, then voting through E-voting shall prevail and voting done by Postal Ballot shall be treated as invalid, notwithstanding whichever is cast first.

It is clarified that votes may be cast by equity shareholders either by Postal Ballot or E-voting and casting of votes by Postal Ballot or e-voting does not disentitle them from attending at the Court Convened Meeting.

The Board of Directors of the Company ("the **Board**"), in compliance with Rule 20(ix) and 22 (5) of the Rules, has appointed Mr. Naresh Kumar Chanda (Membership No.6092 and FCS No.8153), Practicing Company Secretary as scrutinizer, for conducting the said Postal Ballot and E-Voting process in a fair and transparent manner.

By order of the Board of Directors
For HBL Power Systems Limited

Sd/-

Dr. A J Prasad

Chairman and Managing Director

Place: Hyderabad
Date: 12th August, 2016

Registered Office:

8-2-601, Road No 10, Banjara Hills,
Hyderabad – 500034.
CIN L40109TG1986PLC006745

Notes for Postal Ballot and E-Voting :

A. Notes for Postal Ballot:

1. A copy of the said Scheme of Arrangement and Amalgamation and Explanatory Statement under section 393 of the Companies Act, 1956 read with Section 110 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014, are being sent to you for your consideration.
2. The accompanying Postal Ballot Notice is being sent to equity shareholders whose names appear in the register of members/ list of beneficial Owners as received from the National Securities Depository Ltd and Central Depository Services (India) Ltd as on the close of business hours on August 5, 2016. The equity shareholders whose names appear in the register of members/ list of beneficial owners as on August 5, 2016 ("cut-off date") will be reckoned for the purpose of voting.
3. Voting rights shall be reckoned on the paid-up value of equity shares registered in the name of equity shareholders as on August 5, 2016.
4. In case of equity shares held by companies, institutional shareholders (FPIs/ Foreign Institutional Investors / trust / mutual funds / banks etc.), duly completed Postal Ballot Form should also be accompanied by a certified copy of the Board Resolution/ Other Authority together with the attested specimen signatures of the duly authorized person exercising the voting by Postal Ballot.
5. As per Companies (Management and Administration) Rules, 2014, Notice of Postal Ballot may be served on the equity shareholders through electronic transmission. Equity shareholders who have registered their e-mail IDs with depositories or with the Transferee Company for this purpose are being sent Postal Ballot Notice by e-mail and equity shareholders who have not registered their e-mail IDs will receive Postal Ballot Notice along with Postal Ballot Form through Registered/Speed Post / Courier. Equity shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot Form may download the Postal Ballot Form from website of the Company www.hbl.in.
6. An equity shareholder cannot exercise his / her vote through proxy on postal ballot.
7. If Postal Ballot Form is sent using the business reply envelope, the postage will be borne by the Transferee Company. However, envelopes containing postal ballots, if sent by courier or registered / speed post at the expense of the equity shareholders will also be accepted. The Postal Ballot Form(s) may also be deposited personally at the address given on the self-addressed Business Reply Envelope.
8. The duly completed Postal Ballot Form(s) should reach the scrutinizer not later than 5.00 p.m. (IST) on 17th day of September, 2016 to be eligible for being considered, failing which, it will be strictly considered that no reply has been received from the equity shareholder.
9. The Postal Ballot Notice will be uploaded on the Transferee Company's website viz., www.hbl.in and on the website of Karvy viz., <https://evoting.karvy.com>
10. All the relevant documents referred to in the Explanatory Statement are open for inspection at the registered office of the Transferee Company between 11.00 a.m. and 2.00 p.m. on all days excluding Saturdays, Sundays and Public Holidays, till September 16, 2016.

11. Upon completion of the scrutiny of the Postal Ballot Forms and E-voting, the scrutinizer will submit his report to the chairperson. The result of the Postal Ballot and E-voting will be announced by the scrutinizer within 48 hours of the conclusion of Court Convened Meeting and shall be placed, along with the scrutinizer's report, on the website of the Transferee Company (www.hbl.in) for information of equity shareholders, besides being communicated to Stock Exchanges on which equity shares of the Transferee Company are listed and also submit the same to the chairperson.
12. In compliance with the provisions of Section 108 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, (including any statutory modification or enactment thereof for the time being in force) and Regulation 44 of the SEBI (LODR) Regulations, the Transferee Company is pleased to offer E-voting facility as an alternative, to all its equity shareholders to enable them to cast their votes electronically apart from despatching the Postal Ballot Forms.
13. Equity Shareholder(s) can opt only for one mode of voting. If an equity shareholder has opted for E-voting, then he/she should not vote by Postal Ballot and vice-versa. However, in case equity shareholders cast their vote both via Postal Ballot and E-voting, then voting through E-voting shall prevail and voting done by Postal Ballot shall be treated as invalid, notwithstanding whichever is cast first.
14. It is clarified that votes may be cast by equity shareholders either by Postal Ballot or E-voting and casting of votes by Postal Ballot or e-voting does not disentitle them from attending at the Court Convened Meeting.

B. Instructions for Postal Ballot

1. An equity shareholder desiring to exercise vote by Postal Ballot may complete Postal Ballot Form (no other form or photocopy thereof is permitted) and send it to the appointed scrutinizer in the enclosed self-addressed postage prepaid envelope. Postage will be borne and paid by the Transferee Company. However, Postal Ballot Form(s), if deposited in person or if sent by courier or registered/speed post at the expense of the equity shareholder will also be accepted.
2. Postal Ballot Form should be completed and signed by the equity shareholder (as per the specimen signature registered with the Company/Depository Participants). In case of joint holding, this Form should be completed and signed by the first named equity shareholder and in his absence, by the next named equity shareholder.
3. The consent must be accorded by recording the assent in the column 'FOR' and dissent in the column 'AGAINST' by placing (√) in the appropriate column.
4. Equity shareholders desiring to exercise their vote by postal ballot are requested to carefully read the instructions printed on the Form. Duly completed Postal Ballot Form should reach the scrutinizer on or before 5:00 p.m. on September 17, 2016. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such equity shareholder has not been received.
5. There will be only one Postal Ballot Form for every Folio/Client ID irrespective of the number of joint equity shareholder(s).
6. An equity shareholder may request for a duplicate Postal Ballot Form, if so required. However, the duly completed duplicate Postal Ballot Form should reach the scrutinizer not later than the last date of receipt of Postal Ballot Form, i.e. on or before 5:00 p.m. on September 17, 2016.
7. Equity shareholders are requested not to send any other paper along with the Postal Ballot Form, as all such forms will be sent to the scrutinizer and any extraneous paper found would be destroyed by the scrutinizer.
8. The scrutinizer's decision on the validity of a Postal Ballot Form will be final and binding.
9. Incomplete, unsigned or incorrect Postal Ballot Forms will be rejected.
10. Equity shareholder cannot appoint proxy to exercise their voting power through Postal Ballot.
11. A Postal Ballot Form shall be considered invalid if: a) A form other than one issued by the Transferee Company has been used; (b) It has not been signed by or on behalf of the equity shareholder; (c) Signature on the Postal Ballot Form doesn't match the specimen signatures with the Transferee Company; (d) It is not possible to determine without any doubt the assent or dissent of the equity shareholder; (e) Neither assent nor dissent is mentioned; (f) Any competent authority has given directions in writing to the Transferee Company to freeze the Voting Rights of the equity shareholder; (g) The envelope containing the Postal Ballot Form is received after the last date of voting i.e. September 17, 2016; (h) The Postal Ballot Form, signed in a representative capacity, is not accompanied by a certified copy of the relevant specific authority; (i) It is defaced or mutilated in such a way that its identity as a genuine form cannot be established; (j) Equity shareholder has made any amendment to the Resolution or imposed any condition while exercising his vote.

C. Notes for E-voting:

In compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Securities and Exchange Board of

India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the equity shareholder are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy on resolution set forth in this Notice, from a place other than the venue of the Meeting (Remote e-voting).

Remote e-voting:

- (A) In case equity shareholder receives an email from Karvy for Equity shareholder whose email IDs are registered with the Company/Depository Participants (s):
- i. Launch internet browser by typing the URL: <https://evoting.karvy.com>
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVENT" i.e., 'Name of the Company'
 - 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 Equity shareholder 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. Equity shareholder 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, Equity shareholder can login any number of times till they have voted on the Resolution(s).
 - xii. Corporate/Institutional Equity shareholder (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email: nareshkumarchanda@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."
- (B) In case of Equity shareholder receiving physical copy of Notice [for Equity shareholder whose email IDs are not registered with the Company/Depository Participants (s)]:
- i. e-Voting Event Number – XXXX (EVEN), User ID and Password is provided in the Attendance Slip.
 - ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

Voting at venue: The Equity shareholders, who have not cast their vote through Remote e-voting can exercise their voting rights at the venue of the meeting. The Company will make necessary arrangements in this regard at the Venue. The facility for voting through ballot shall be made available at the Meeting.

OTHER INSTRUCTIONS:

- a. In case of any query and/or grievance, in respect of voting by electronic means, Equity shareholder may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. B Srinivas (Unit: HBL Power Systems Limited) of Karvy at the details provided in corporate information section or at evoting@karvy.com or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.
- b. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- c. The remote e-voting period commences on Wednesday, September 14, 2016 (09.00 AM IST) and ends on Friday, September 16, 2016 (05.00 PM IST). During this period, Equity shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 10, 2016 may cast their votes electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a resolution(s) is cast by the equity shareholder, the equity shareholder shall not be allowed to change it subsequently.
- d. The voting rights of Equity shareholder shall be in proportion to their share of the paid up equity share capital of the Company as on the cut-off date i.e. September 10, 2016.
- e. In case a person has become an equity shareholder of the Company after despatch of Notice but on or before the cut-off date for E-voting i.e., September 10, 2016, 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 equity shareholder is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the equity shareholder may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - ii. Equity shareholder may call Karvy's toll free number 1800-3454-001.
 - iii. Equity shareholder may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new equity shareholders whose mail ID's are available.

**HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND STATE OF ANDHRA PRADESH
(ORIGINAL JURISDICTION)**

COMPANY APPLICATION No. 1111 OF 2016

In the matter of Companies Act, 1956 (1 of 1956)

And

In the matter of Sections 391 and 394 of the said Act

And

In the matter of M/s.HBL Power Systems Limited

And

In the matter of M/s. Beaver Engineering and Holdings Private Limited

And

Their Respective Shareholders and Creditors

M/s. HBL Power Systems Limited

a Company registered under the
Companies Act, 1956 and having
Its registered office at 8-2-601, Road No.10,
Banjara Hills, Hyderabad – 500 034,
Telangana, Represented by its Director
Mr. MSS Srinath

.. Applicant/
Transferee Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 AND SECTION 102 OF THE COMPANIES ACT 2013 FOR THE COURT CONVENED MEETING OF EQUITY SHAREHOLDERS OF HBL POWER SYSTEMS LIMITED AND POSTAL BALLOT AND E-VOTING

1. Pursuant to an Order dated August 11, 2016 passed by the Hon'ble High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh in the Company Application no. 1111 of 2016 referred to hereinabove, a meeting of the Equity Shareholders of HBL Power Systems Limited, the Transferee Company, is being convened and held at KLN Prasad Auditorium, FTAPCCI, FTAPCCI Marg, Red Hills, Lakdikapul, Hyderabad, Telangana 500004 on September 17, 2016 at 10.00 A.M. for the purpose of considering and if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement and Amalgamation between Beaver Engineering and Holdings Private Limited ('Beaver' or 'the Transferor Company') and HBL Power Systems Limited ('HBL' or 'the Company' or 'the Transferee Company') and their respective shareholders and creditors ("Scheme" or "the Scheme").
2. In this statement, Beaver Engineering and Holdings Private Limited (hereinafter referred to as "Beaver" or "the Transferor Company" as the context may require) and HBL Power Systems Limited (hereinafter referred to as "HBL" or the "Transferee Company" or "the Applicant Company" as the context may require) The other definitions contained in the Scheme will apply to this Explanatory Statement also.
3. The draft Scheme of Arrangement and Amalgamation was placed before the Audit Committee and Board of Directors of the Transferee Company at their respective meetings held on 23rd March, 2016. M/s SBI Capital Markets Limited, acting as the independent Merchant Banker provided the Fairness Opinion. On the basis of their evaluation, the Audit committee has recommended the Scheme to the Board of Directors of the Company. Copy of the Fairness Opinion is enclosed to this Notice.
4. Based upon the recommendations of the Audit Committee and on the basis of the evaluations, the Board of Directors of Transferee Company has come to the conclusion that the Scheme of amalgamation is in the best interest of the Company and its Shareholders.
5. A copy of the Scheme of arrangement and Amalgamation setting out the terms and conditions of the Scheme of Arrangement and Amalgamation between M/s. Beaver Engineering and Holdings Private Limited ('Beaver' or 'the Transferor Company') and HBL Power Systems Limited ('HBL' or 'the Company' or 'the Transferee Company') and their respective shareholders and creditors as approved by the Board of Directors of the respective companies in their respective Board Meetings is enclosed herewith and notice and explanatory statement forms part of this statement
6. Background of Beaver Engineering and Holdings Private Limited (Transferor Company) is as under:
 - a) Beaver Engineering and Holdings Private Limited was originally incorporated under the name and style of Beaver Engineering Private Limited under Companies Act 1956 on 30th March, 1992 vide Certificate of Incorporation No.01-

14050 of 1991-92. Later it became a deemed public Limited Company with effect from 1st July, 1992. Later on the Company had changed its name to Beaver Engineering and Holdings Limited and a fresh certificate of incorporation consequent on change of name was issued by Registrar of Companies, Andhra Pradesh, Hyderabad on 24/11/2010. Again the Company had converted itself into a Private Limited company and a fresh certificate of incorporation was issued by the Registrar of Companies, Andhra Pradesh on 29/08/2013 and its Corporate Identification Number is U21011TG1992PTC014050.

- b) The Registered Office of Beaver Engineering and Holdings Private Limited is situated at 8-2-601, Road No.10, Banjara Hills, Hyderabad – 500 034, Telangana State.
- c) The details of the Authorised, Issued, Subscribed and Paid-up share capital of Transferor Company as on March 31, 2016 are as under:

Particulars	Amount in Rs.
Authorised Capital	
9,50,000 Equity shares of Rs. 10 each	95,00,000
1,00,000 Preference shares of Rs. 10 each	10,00,000
1,00,000 Preference shares of Rs. 20 each	20,00,000
Total	1,25,00,000
Issued, Subscribed and Paid-up	
3,04,726 Equity shares of Rs. 10 each	30,47,260
77,163 Compulsorily Convertible Preference Shares of Rs. 10 each	7,71,630
68,726 Optionally Convertible Redeemable Preference Shares of Rs. 20 each	13,74,520
Total	51,93,410

Subsequent to the above date there is no change in the issued, subscribed and paid up share capital of the Transferor Company.

- d) The shares of the Transferor Company are not listed on any stock exchange.
- e) The objects for which the Transferor Company has been established are set out in its Memorandum of Association. The main objects of Transferor Company are set out hereunder:
1. To convert the firm now being carried in Partnership under the name and style of M/s. Beaver Engineering situated at 8-2-601, Road No.10, Banjara Hills, Hyderabad – 500 034 into a Private Limited Company and vest its all properties, movable and immovable (including actionable claims) belonging to and vested in the of the Scheme referred firm shall on the date of registration of this Company under part IX of the Companies Act, 1956 pass to and vest in the Company as incorporated under this Act for all the estate and interest of the Company therein for effectively carrying on organizing and pursuing the objectives of that firm as a body corporate in pursuance of part IX of the Companies Act, 1956 and all the partners in the erstwhile firm shall become shareholders in the Company in proportion of their capital held by them in the firm.
 2. To carry on the business of providing engineering know-how and services, in design, manufacture, erection and commissioning of machinery, factory automation, produce and component and tool design, and to develop as a center of competence for engineering knowledge and skill in all branches of engineering and technology, and to carry on such business in India and abroad.
 3. To enter into technology transfer and Research & Development contracts, either directly or as a consultant for clients, or in any other manner for commercial gain in India or abroad.
 4. To be an exporter and importer of engineering machinery, products, components and services (including Computer software manufacturing productivity and related activities) either directly or by performing the role of an agent.
 5. To act as an expert resource for advice on manufacturing investments for Indian and foreigners, both in India and abroad, by performing necessary studies and analyses, and to make such investments on its own.
 6. To purchase or otherwise acquire and undertake the whole or any part of the business property, right or liabilities of any persons, firm or company carrying on any business, which the company is authorised to carry on, or proposed of property or rights suitable for any purposes of the company and to purchase, acquire, promote and sell and deal in property, shares, stocks, bonds, debentures, debenture stocks of any such person, firm or company and to conduct, make or carry on and to effect any arrangement in regard to the winding up of the business of any such person, firm or company.
 7. To carry on the business of buying, selling, reselling, importing, exporting, transporting, storing, developing, promoting, marketing or supplying, trading, dealing in any manner whatsoever on a wholesale basis and to act as broker; agent, C & F agent, shipper, commission agent, distributor, representative, franchiser, consultant, collaborator,

stockist, liaison, job worker, export house of goods and services of in all types of in all types of electronic, electrical and other related goods, components, materials, Fuels catalysts, other chemicals or any other product on wholesale basis in India or elsewhere.

8. To manufacture, sub-contract, fabricate, assemble, design, develop, repair, maintain, purchase, sell, service, resell, trade (on whole sale basis), lease or otherwise deal in all types of sub-assemblies including Brush Cards used for all kinds of electric and electronic motors or its applications, transformers, carriers assembly, appliances on electronic motors and other equipment, apparatus, instruments, components, parts, systems required for, or capable of being used in connection with the generation, distribution, supply, accumulation and employment of electricity

7. Background of HBL Power Systems Limited (Transferee Company) is as under:

- a) M/s. HBL Power Systems Limited (hereinafter referred to as "HBL" / "Transferee Company") was originally incorporated as a Public Limited Company under the name and style of Sab Nife Power Systems Limited under the Certificate of Incorporation no. 6745 of 1986-87 in the State of Andhra Pradesh. Later on the Company had changed its name to HBL Power Systems Limited and a fresh Certificate of Incorporation consequent to change of name was issued by the Registrar of Companies, Andhra Pradesh on 26/04/2000. Again the Company had changed its name to its present name i.e. HBL Power Systems Limited and a fresh certificate of Incorporation consequent to change of name was issued by the Registrar of Companies, Andhra Pradesh on 20th October, 2006.
- b) The Registered Office of HBL Power Systems Limited is situated at 8-20-601, Road No.10, Banjara Hills, Hyderabad – 500 034, Telangana.
- c) The details of the issued, subscribed and paid-up share capital of Transferee Company as on March 31, 2016 are as under:

Particulars	Amount in Rs.
Authorised Capital	
30,00,00,000 Equity Shares of Re.1/- each	30,00,00,000
Total	30,00,00,000
Issued, Subscribed and Paid-up	
25,30,00,000 Equity Shares of Re.1/- each	25,30,00,000
Total	25,30,00,000

Subsequent to the above date there is no change in the issued, subscribed and paid up share capital of the Transferee Company.

- d) The equity shares of the Transferee Company are listed on the National Stock Exchange of India Limited and BSE Limited (together called as the "**Stock Exchanges**").
- e) The objects for which Transferee Company has been established are set out in its Memorandum of Association. The main objects of Transferee Company are set out hereunder:
 1. To manufacture, assemble, purchase, import, export and otherwise deal in India or abroad in all types of cells, batteries, energy storage devices, conversion and generation devices, appliances, gadgets, equipment and products, including power packs, power suppliers; generators, solar panels, chargers and sub-assemblies, components, parts and accessories thereof.
 2. To manufacture, assemble, purchase, sell, import, export or otherwise deal in India or abroad in all electrical, electronic, electro mechanical and metallurgical appliances, devices and sub-assemblies, accessories, parts and components thereof.
 3. To manufacture in India or abroad products based on electrolytic, electro-thermal and electro-chemical processes, including sintered products and products based on powder metallurgy technology.
 4. To establish, provide, maintain and operate plants in India or abroad for the extraction, refining and electro-plating of metals and alloys by electrolytic processes.

8. RATIONALE AND SALIENT FEATURES OF THE SCHEME

- a) Rationale of the Scheme
 - i. The proposed merger shall allow the shareholders of the Transferor Company viz. the promoters and the investors to directly hold equity shares in the listed company. This will result in the following benefits to the Companies and their respective shareholders and stakeholders:
 - Improve debt equity ratio for Transferee Company

- The merger will result in an increase in public float of the Transferee Company. This will in turn increase trading stock and positively impact the liquidity of shares of the Transferee Company.
 - Simplification of group structure
- ii. The Scheme would result in improved shareholder value by way of improved financial structure and cash flows.
- iii. Further, the scheme also provides that the shareholders of Transferor Company shall indemnify the Transferee Company and keep the Transferee Company indemnified for liability, claim demand, if any discharged by the Transferee Company and recorded in the books of account of the Transferor Company or any other liability, claim, demand, suit or proceeding made, lodged or filed by any third party(ies) including Governmental authorities and which may devolve on Transferee Company on account of this amalgamation.

b) Salient features of the scheme are set out as below :

- i. This Scheme of Arrangement and Amalgamation is presented under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956 (including any statutory modification or re-enactment or amendment thereof) for amalgamation of Beaver Engineering and Holdings Private Limited ("Transferor Company") with HBL Power Systems Limited ("Transferee Company").
- ii. The Transferor Company and Transferee Company shall, as may be required, make applications and/or petitions under Sections 391 to 394 read with Sections 100 to 103 of the Act and other applicable provisions of the Act to the High Court of Judicature at Hyderabad for the State of Telangana and for the State of Andhra Pradesh for sanction of this Scheme and all matters ancillary or incidental thereto.
- iii. "Appointed Date" for the Scheme is April 1, 2016 or such other date as may be decided by the High Court or any other appropriate authority as may be applicable;
- iv. 'Effective Date' means the later of the dates on which the certified copy of the Orders of the High Court of Andhra Pradesh and Telangana sanctioning the Scheme of Arrangement and Amalgamation of the dates on which the conditions referred to in Clause 18 of this Scheme have been fulfilled with the Registrar of Companies, Hyderabad.
- v. Upon the effectiveness of the Scheme, in consideration of the transfer of and vesting of the Undertaking of the Transferor Company in the Transferee Company and in terms of the Scheme, the Transferee Company shall, without any further application, act, instrument or deed, issue and allot as under:
 Exchange Ratio for Shareholders of the Transferor Company
 - 3,883 fully paid up equity shares of Re. 1 of the Transferee Company shall be issued and allotted as fully paid up for every 10 equity shares of Rs.10 fully paid up held in the Transferor Company.
 - 3,753 fully paid up equity shares of Re.1 of the Transferee Company shall be issued and allotted as fully paid up for every 10 compulsorily convertible preference shares of Rs.10 fully paid up held in the Transferor Company.
 - 3,901 fully paid up equity shares of Re.1 of the Transferee Company shall be issued and allotted as fully paid up for every 10 optionally convertible redeemable preference shares of Rs.20 fully paid up held in the Transferor Company.
- vi. The shares held by the Transferor Company in the Transferee Company shall be cancelled. This cancellation / reduction of share capital of the Transferee Company, as provided in clause 6 of the Scheme shall be effected as an integral part of the Scheme and the Orders of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction and no separate sanction under sections 100 to 103 of the Act will be necessary. The Transferee Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.
- vii. All new equity shares of the Transferee Company issued pursuant to the Scheme shall be listed on BSE Limited and the National Stock Exchange of India Limited in accordance with applicable laws and regulations and Transferee Company shall apply for such listings upon receipt of the orders of High Court sanctioning the Scheme. The Transferee Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.
- viii. The shareholders of Transferor Company shall indemnify and hold harmless the Transferee Company and its directors, officers, representatives, partners, employees and agents (collectively, the "Indemnified Persons") for losses, liabilities, costs, charges, expenses (whether or not resulting from third party claims), including those paid or suffered pursuant to any actions, proceedings, claims and including interests and penalties discharged by the Indemnified Persons which may devolve on Indemnified Persons on account of amalgamation of Transferor Company into Transferee Company but would not have been payable by such Indemnified Persons otherwise, in the form and manner as may be agreed amongst Transferee Company and the shareholders of Transferor Company.
- ix. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in connection with and implementing this Scheme and matters incidental shall be borne by the Transferor Company and / or its shareholders.

- x. This Scheme is and shall be conditional upon and subject to:
- The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective shareholders and/or creditors of the Transferor Company and Transferee Company as may be directed by the High Court.
 - The Scheme being approved by an equity shareholders resolution of Transferee Company by way of postal / e-voting in terms of para 5.16 of the SEBI Circulars; provided that the same shall be acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it.
 - The sanction of the Scheme by the Hon'ble High Court of Judicature at Hyderabad or any other authority under Sections 391 to 394 of the Act of 1956 read with Section 100 to 103 of the Act of 1956 and the necessary Order under Section 394 of the said Act of 1956 being filed with the Registrar of Companies.
 - Certified copy of the Orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies by the Transferor Company and the Transferee Company.
 - The requisite, consent, approval or permission of statutory or regulatory authorities, if any, which by law may be necessary for the implementation of this Scheme, being obtained.
- You are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof. The aforesaid are only some of the key provisions of the Scheme.
- In accordance with the provisions of SEBI Circular bearing no. CIR/CFD/CMD/16/2015 dated 30th November, 2015), the Audit Committee of the Company ("Audit Committee") vide a resolution passed on March 23, 2016 recommended the Scheme to the Board of Directors of the Transferee Company inter-alia taking into account;
 - The Report on Share Exchange Ratio issued by Price Waterhouse & Co LLP, Chartered Accountants dated March 23, 2016 for issue of shares pursuant to the Scheme;
 - The Fairness Opinion issued by SBI Capital Markets Limited dated March 23, 2016 on the fairness of the Valuation Report;
 - Statutory Auditors certificate dated March 23, 2016 issued by Rao & Kumar Statutory Auditors of the Transferee Company, in relation to the accounting treatment prescribed in the Scheme.
 - The Company has received, in terms of Regulation 37 of SEBI LODR Regulations (erstwhile Clause 24(f) of the Listing Agreement), Observation Letters from the National Stock Exchange of India Limited and BSE Limited dated 17th June, 2016 and 16th June, 2016 respectively. Copies of the Observation Letters are enclosed as Annexures to this Notice.
 - Transferee Company and Transferor Company have made separate applications before the Hon'ble High Court of Judicature at Hyderabad for the sanction of the Scheme under Sections 391 and 394 of the Companies Act, 1956.
 - The rights and interests of the shareholders, secured or unsecured Creditors of the Transferor Company and Transferee Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all called from them nor their rights sought to be modified in any manner.
 - No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956 and Section 210 of the Companies Act, 2013, against Transferor Company and Transferee Company.
 - The directors of the Transferor Company and relatives of the below mentioned persons may be deemed to be concerned and/or interested in the Scheme to the extent of their shareholding directly in the respective companies that are the subject of the Scheme, or to the extent the said persons are interested or involved in any of the companies that are the subject of the Scheme or any entity that directly holds shares in any of the companies.
 - The details of the present directors and Key Managerial Personnel of Transferor Company and their respective shareholdings in Transferor Company and Transferee Company are as follows:

Sr. No.	Name	Designation	Shares held in Transferor Company	Shares held in Transferee Company
1	Dr. A J Prasad	Director	14,250	20,814,500
2	Mrs. Kavita Prasad	Director	200	9,056,332
3	Mrs. Uma Devi	Director	100	—
4	Mr. MSS Srinath	Director	200	1,829,260
5	Mr. Srinath Srinivasan	Director	—	—
6	Mr. Mitin Jain	Director	—	—

16. The details of the present directors and Key Managerial Personnel of Transferor Company and their respective shareholdings in Transferor Company and Transferee Company are as follows:

Sr. No.	Name	Designation	Shares held in Transferor Company	Shares held in Transferee Company
1	Dr. A J Prasad	Chairman and Managing director	14,250	20,814,500
2	Mr. MSS Srinath	Director	200	1,829,260
3	Mr. P Ganapathi Rao	Director	—	—
4	Mrs. Preeti Khandelwal	Director	—	—
5	Mr. Ajay BhaskarLimaye	Director	—	—
6	Mr. Mitin Jain	Director	—	—
7	Mrs. Kavita Prasad	KMP	200	9,056,332
8	Mr. MVSS Kumar	KMP	—	—
9	Mr. K Mahidhar	KMP	—	—

17. The pre and post Scheme shareholding pattern of Transferee Company as on June 30, 2016 is as follows:

Sr. No.	Description	Pre Amalgamation shareholding		PostAmalgamation shareholding	
		Number of shares	% (A+B)	Number of shares	% (A+B)
(A)	Promoter and promoter group				
(1)	Indian				
(a)	Individuals/Hindu Undivided Family	37,151,879	14.68%	42,879,304	15.47%
(b)	Bodies Corporate	150,393,653	59.44%	113,035,199	40.78%
	Sub-Total A(1):	187,545,532	74.13%	155,914,503	56.25%
(2)	FOREIGN				
(a)	Individuals (Non-Residents Individuals / Foreign Individuals)	-	-	-	-
	Sub-Total A(2) :	-	-	-	-
	Total A=A(1)+A(2)	187,545,532	74.13%	155,914,503	56.25%
(B)	PUBLIC SHAREHOLDING				
(1)	INSTITUTIONS				
(a)	Mutual Funds	20,708,951	8.19%	20,708,951	7.47%
(b)	Venture Capital Funds	-	0.00%	26,842,242	9.68%
(c)	Foreign Portfolio Investors	333,856	0.13%	29,317,591	10.58%
(d)	Financial Institutions/ Banks	296,486	0.12%	296,486	0.11%
	Sub-Total B(1) :	21339293	8.43%	77,165,270	27.84%
(2)	NON-INSTITUTIONS				
(a)	Individuals				
	(i) Individuals holding nominal share capital upto Rs. 2 lakh	32,823,675	12.97%	32,823,675	11.84%
	(ii) Individuals holding nominal share capital in excess of Rs. 2 lakh	2927940	1.16%	2,927,940	1.06%
(b)	NBFC registered with RBI	11,200	0.00%	11,200	0.00%
(c)	Others	8,352,360	3.30%	8,352,360	3.01%
	Sub-Total B(2) :	44115175	17.44%	44,115,175	15.91%
	Total B=B(1)+B(2) :	65,454,468	25.87%	121,280,445	43.75%
	Total (A+B) :	253,000,000	100.00%	277,194,948	100.00%

18. Capital Structure of Transferee Company - Pre and Post Amalgamation capital structure of Transferee Company is as follows:

Particulars	Pre Amalgamation as on March 31, 2016		Post Amalgamation	
	No. of Shares	Amount in Crs	No. of Shares	Amount in Crs
Authorised Share Capital:				
Equity Shares of Re. 1/- each	300,000,000	30.00	312,500,000	31.25
Issued, Subscribed & Paid Up Share Capital:				
Equity Shares of Re. 1/- each, fully paid up	253,000,000	25.30	277,194,946	27.72

Pre-Amalgamation capital structure of Transferor Company is mentioned in paragraph 6 (c) above.

19. The Transferor Company is a company belonging to the Promoter Group of the Transferee Company. Upon the Scheme coming into effect and consequent to the amalgamation of the Transferor Company into the Transferee Company, the shares held by the Transferor Company in the Transferee Company shall be cancelled.
20. This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956 and section 102 of the Companies Act, 2013.
21. The latest audited financial summary of "HBL " / Transferee Company as on 31st March, 2016 is given below:

S No.	Particulars		As at March 31, 2016 (Rupees in Lakhs)	
I.	EQUITY AND LIABILITIES			
	A	Share Holder's Funds		
		Share Capital	2,530.00	
		Reserves and Surplus	57,415.11	59,945.11
	B	Non-Current Liabilities		
		Long Term Borrowings	12,274.27	
		Deferred Tax Liabilities	1,470.07	
		Long-term Provisions	199.18	13,943.52
	C	Current Liabilities		
		Short-Term Borrowings	41,549.43	
		Trade Payables	16,368.24	
		Other Current Liabilities	10,138.58	
		Short Term Provisions	2,576.32	70,632.57
		Total		1,44,521.20
II.	ASSETS			
	A	Non-Current Assets		
		Fixed Assets	46,342.97	
		Non-Current Investments	1,465.01	
		Long Term Loans and Advances	1,333.91	
		Other Non-Current Assets	1,729.16	50,871.05
	B	Current Assets		
		Inventories	39,171.45	
		Trade Receivables	44,172.44	
		Cash and Bank Balances	3,077.99	
		Short-Term Loans and Advances	7,228.27	93,650.15
		Total		1,44,521.20

The latest audited financial summary of “Beaver.” / Transferor Company as on 31st March, 2016 is given below:

S No.	Particulars		As at March 31, 2016 (Rupees in Lakhs)
I	EQUITY AND LIABILITIES		
	A Share Holder’s Funds		
	Share Capital	51.93	
	Reserves and Surplus	14,458.67	14,510.60
	B Current Liabilities		
	Trade Payables	46.42	
	Other Current Liabilities	78.73	
	Short Term Provisions	—	125.15
	Total		14,635.75
II	ASSETS		
	A Non-Current Assets		
	Non-Current Investments	4,134.06	
	Deferred Tax Asset	3.30	
	Long Term Loans and Advances	8,800.00	12,937.36
	B Current Assets		
	Current Investments	162.74	
	Inventories	503.72	
	Trade Receivables	250.63	
	Cash and Bank Balances	53.99	
	Short Term Loans and Advances	727.31	1,698.39
	Total		14,635.75

22. APPROVALS

- Pursuant to the SEBI Circulars read with Regulation 37 of the SEBI Listing Regulations, the Applicant Company had filed necessary applications before BSE and NSE seeking their no-objection to the Scheme. The Applicant Company has received the observation letters from BSE and NSE on 16th June and 17th June, 2016 respectively, conveying their no-objection to the Scheme (“Observation Letters”). Copies of the aforesaid Observation Letters are enclosed herewith.
- As per the terms of the Observation Letters, SEBI has given its ‘no adverse objection’ to the Scheme and has advised the Applicant Company to comply with the provisions of the SEBI Circulars.
- As required by the SEBI Circular, the Applicant Company has filed the Complaints Report with BSE and NSE on 1st June and 19th May, 2016 respectively. A copy of the aforementioned Complaints Report are enclosed herewith.

23. GENERAL

- The Scheme is not prejudicial to the interests of the members of the Transferee Company.
- There are no winding up proceedings pending against the Transferee Company as of date.
- No investigation proceedings are pending or are likely to be pending under the provisions Section 235, 237 of the Companies Act, 1956 or the provisions of Chapter XIV of the Companies Act, 2013 in respect of the Transferee Company.

24. Inspection of the following documents may be had by the Equity Shareholders of the Transferee Company at the Registered Office of the Transferee Company on any working day (except Saturdays) prior to the date of the meeting between 11.00 am and 2.00 pm

- Copy of the Order dated 11th August, 2016 of the Hon’ble High Court of Judicature at Hyderabad passed in Company Application No 1111 of 2016 directing the convening of the meeting of the Equity Shareholders of the Transferee;
- The Pre and Post Merger Capital Structure and Shareholding Pattern of HBL Power Systems Limited.
- Memorandum and Articles of Association of the Transferor and Transferee Companies;
- Audited Financial Statements of the Transferor and Transferee Companies for last three financial years ended 31 March 2016, 31 March 2015 and 31 March 2014;

- (e) Copy of the observation letters from BSE and NSE on 16th June and 17th June, 2016 respectively;
- (f) Copy of the Complaints Report dated 1st June and 19th May, 2016 respectively filed with BSE and NSE;
- (g) Valuation Report dated 23rd March, 2016 issued by M/s Price Waterhouse & Co LLP., and
- (h) Fairness Opinion dated 23rd March, 2016 issued by M/s. M/s. SBI Capital Markets Limited;

This Statement may be treated as the Statement under Section 393 of the Companies Act, 1956. A copy of this Scheme, Explanatory Statement, Form of Proxy and Attendance Slip may be obtained free of charge on any working day (except Saturdays) prior to the date of the meeting, from the Registered Office of the Applicant Company situated at 8-2-601, Road No.10, Banjara Hills, Hyderabad – 500034, Telangana or at the office of its Advocates Shri V.S. Raju, B. Satya Shivaji & Shri V.B. Raju, at 106, Dhanunjaya Towers, Road No.1, Banjara Hills, Hyderabad - 500 034.

Place: Hyderabad
Date: 12th August, 2016

Sd/-
Ms. P. Sumita,
Chairperson appointed
for the meeting of Equity Shareholders
2-3-670, Flat No.105, Venkatadri Apartments,
CPL Main Road, Amberpet, Hyderabad-500013

**SCHEME OF ARRANGEMENT AND AMALGAMATION
BETWEEN
BEAVER ENGINEERING AND HOLDINGS PRIVATE LIMITED
AND
HBL POWER SYSTEMS LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

PREAMBLE

This Scheme of Arrangement and Amalgamation ('Scheme') is presented under Sections 391 - 394 read with Sections 100 - 103 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 for amalgamation of Beaver Engineering and Holdings Private Limited into HBL Power Systems Limited.

A. PARTS OF THE SCHEME OF ARRANGEMENT AND AMALGAMATION:

The Scheme is divided into the following parts:

PART A	Deals with the definitions and share capital
PART B	Deals with merger of Beaver Engineering and Holdings Private Limited into HBL Power Systems Limited
PART C	Deals with other terms and conditions.

PART A - DEFINITIONS & SHARE CAPITAL

1. DEFINITIONS

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **"Act" or "the Act"** means the Companies Act, 1956 and/or the Companies Act, 2013, as applicable, and rules and regulations made thereunder and shall include any statutory modifications, amendments or re-enactment thereof, as may be applicable.

It is clarified that -

- a) as on the date, Sections 391 and 394 of the Companies Act, 1956 continue to be in force with the corresponding provisions of the Companies Act, 2013 not having been notified.
 - b) several other sections of the Companies Act, 2013 have been notified and come into effect. Hence for sake of clarity and to avoid confusion, Companies Act, 1956 has been referred to as the "Act of 1956" and Companies Act, 2013 has been referred to as the "Act of 2013" wherever specific sections have been referred to hereinafter in this Scheme.
- 1.2 **"Amalgamation"** means the amalgamation of the Transferor Company with the Transferee Company, pursuant to Sections 391 to 394 and other relevant provisions of the Act of 1956, as contemplated under this Scheme.
- 1.3 **"Appointed Date"** means April 1, 2016 or such other date as may be approved by the High Court or any other competent authority for the purposes of amalgamation of Beaver Engineering and Holdings Private Limited into HBL Power Systems Limited
- 1.4 **"Board" or "Board of Directors"** means the Board of Directors of the Transferor Company or of the Transferee-Company as the context may require and shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person(s) authorized by the board of directors or such committee of directors;
- 1.5 **"Court" or "High Court"** means the High Court of Andhra Pradesh and Telangana and shall include the National Company Law Tribunal, if applicable;
- 1.6 **"Effective Date"** means the later of the dates on which the certified copy of the Orders of the High Court of Andhra Pradesh and Telangana sanctioning the Scheme of Arrangement and Amalgamation are filed with the Registrar of Companies, Hyderabad.
- 1.7 **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Arrangement and Amalgamation in its present form as submitted with the High Court or this Scheme with any modification(s) made under Clause 17 of the Scheme.

- 1.8 “**Transferee Company**” means HBL Power Systems Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 8-2-601, Road No 10 Banjara Hills, Hyderabad, Telangana - 500034.
- 1.9 “**Transferor Company**” means Beaver Engineering and Holdings Private Limited a company incorporated under the Companies Act, 1956 and having its registered office at 8-2-601, Road No 10 Banjara Hills, Hyderabad, Telangana - 500034.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act of 1956 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

2. SHARE CAPITAL

- 2.1 The share capital of the Transferor Company as on date is as under:

Particulars	Amount in Rs.
Authorised Capital	
9,50,000 Equity shares of Rs. 10 each	95,00,000
1,00,000 Preference shares of Rs. 10 each	10,00,000
1,00,000 Preference shares of Rs. 20 each	20,00,000
Total	1,25,00,000
Issued, Subscribed and Paid-up	
3,04,726 Equity shares of Rs. 10 each	30,47,260
77,163 Compulsorily Convertible Preference Shares of Rs. 10 each	7,71,630
68,726 Optionally Convertible Redeemable Preference Shares of Rs. 20 each	13,74,520
Total	51,93,410

- 2.2 The share capital of the Transferee Company as on date is as under:

Particulars	Amount in lakhs
Authorized Capital	
30,00,00,000 Equity shares of Re.1 each	3000
Total	3000
Issued, Subscribed and Paid-up²	
5,30,00,000 Equity shares of Re. 1 each	2530
Total	2530

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court shall be effective from the Appointed Date but shall be operative from the Effective Date.

PART B - AMALGAMATION OF THE TRANSFEROR COMPANY INTO THE TRANSFEE COMPANY

4. TRANSFER AND VESTING

- 4.1 With effect from the Appointed Date, the Transferor Company including its properties and assets (whether movable tangible or intangible) of whatsoever nature including investments, shares, debentures, securities, loans and advances, licenses, permits, approvals, lease, tenancy rights, titles, permissions, if any, benefits of tax relief including under the Income-tax Act, 1961 such as credit for advance tax, taxes deducted at source and all other rights, title, interest, contracts, consent, approvals or powers of every kind, nature and descriptions whatsoever shall under the provisions of Sections 391 to 394 and pursuant to the orders of the High Court or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges affecting the same as on the Effective Date shall stand transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.

- 4.2 Without prejudice to Clause 4.1, all movable assets including sundry debtors, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, shares, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in Transferee Company without any notice or other intimation to the debtors (although Transferee Company may without being obliged and if it so deems appropriate at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in Transferee Company) subject to existing charges or lis pendens, if any thereon, in favour of banks/ financial institutions;
- 4.3 The liabilities shall also, without any further act, instrument or deed be transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act of 1956, so as to become the liabilities of the Transferee Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such liabilities have arisen, in order to give effect to the provisions of this Clause.
- 4.4 All securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date and those created by the Transferor Company after the Appointed Date, over the assets of the Transferor Company shall after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such securities, mortgages, charges, encumbrances or liens shall not relate or attach or extend to any of the other assets of the Transferee Company provided always that the Scheme shall not operate to enlarge the security for any loan, deposit or facility availed of by Transferor Company and the Transferee Company shall not be obliged to create any further or additional security thereof after the Effective Date or otherwise.
- 4.5 This Scheme has been drawn up to comply with the conditions relating to "amalgamation" as specified under Section 2(1B) of the Income -tax Act, 1961. If any terms or provisions of the Scheme are inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall to the extent of such inconsistency prevail and the Scheme shall stand modified to that extent to comply with Section 2(1B) of the Income-tax Act, 1961; such modification to not affect other parts of the Scheme.

Pursuant to the Scheme becoming effective, Transferee Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement to which Transferor Company is a party in order to give formal effect to the above provisions. Transferee Company shall, be deemed to be authorised to execute any such writings on behalf of Transferor Company to carry out or perform all such formalities or compliances referred to above on part of Transferor Company.

5. CONSIDERATION

- 5.1 Upon this Scheme becoming effective and upon amalgamation of the Transferor Company into the Transferee Company in terms of this Scheme, the Transferee Company shall, without any application or deed, issue and allot equity shares, credited as fully paid up, to the extent indicated below, to the members of Transferor Company holding fully paid-up equity shares and preference shares of Transferor Company and whose names appear in the register of members of the Transferor Company, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of the Transferor Company/ Transferee Company in the following proportion:

"3883 fully paid up Equity Share of Re 1 each of the Transferee Company shall be issued and allotted as fully paid up for every 10 Equity Share of Rs.10 fully paid up held in the Transferor Company."

"3753 fully paid up Equity Share of Re 1 each of the Transferee Company shall be issued and allotted as fully paid up for every 10 Compulsorily Convertible Preference Share of Rs.10 fully paid up held in the Transferor Company."

"3901 fully paid up Equity Share of Re1 of each the Transferee Company shall be issued and allotted as fully paid up for every 10 Optionally Convertible Redeemable Preference Share of Rs.20 fully paid up held in the Transferor Company."

(Equity shares to be issued by the Transferee Company as above are hereinafter referred to as "New Equity Shares").
- 5.2 The New Equity Shares to be issued to the members of Transferor Company as per clause 5.1 above shall be subject to the Memorandum of Association and Articles of Association of the Transferee Company. The New Equity Shares shall rank pari-passu in all respects, including dividend, with the existing equity shares of Transferee Company.
- 5.3 In case shareholders get entitled to fractional shares in Transferee Company, such fractional shares shall be ignored.
- 5.4 The investment held by Transferor Company in the equity share capital of Transferee Company shall, without any further application, act, instrument or deed stand cancelled. The share certificates, if any, in relation to the shares held by Transferor Company shall be of no effect, and the shares held by Transferor Company in dematerialized form shall be extinguished, on and from such issue and allotment of New Equity Shares.
- 5.5 The New Equity Shares to be issued by Transferee Company shall be issued in dematerialized form.

- 5.6 The New Equity Shares of Transferee Company shall be listed and/ or admitted to trading on the National Stock Exchange of India Limited, the BSE Limited and on such other stock exchanges (collectively referred to as "Stock Exchanges") on which the existing equity shares of Transferee Company are listed at that time.
- 5.7 The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment by Transferee Company of New Equity Shares to the members of Transferor Company under the Scheme.
- 5.8 The approval of this Scheme by the members of Transferee Company shall be deemed to be due compliance with the applicable provisions of the Act of 1956 including Section 62 of Act of 2013, for the issue and allotment of New Equity Shares by Transferee Company to the members of Transferor Company, as provided in the Scheme.

6. CANCELLATION OF EQUITY SHARES OF TRANSFEE COMPANY HELD BY TRANSFEROR COMPANY

- 6.1 On the Scheme becoming effective, the equity shares of Transferee Company held by Transferor Company shall stand cancelled. Accordingly, the share capital of Transferee Company shall stand reduced to the extent of face value of shares held by Transferor Company in Transferee Company.
- 6.2 Such reduction of share capital of Transferee Company as provided in Clause 6.1 above shall be effected as an integral part of the Scheme and the Orders of the Court sanctioning the Scheme shall be deemed to be an Order under Section 102 of the Act of 1956 confirming the reduction and no separate sanction under sections 100-102 of the Act of 1956 will be necessary. Transferee Company shall not be required to add the words "and reduced" as a suffix to its name consequent upon such reduction.

7. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEE COMPANY

With effect from the Appointed Date and upon the Scheme becoming effective, the Transferee Company shall account for the amalgamation in its books as under –

- 7.1 With effect from the Appointed Date, all the assets and liabilities appearing in the books of accounts of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at book values.
- 7.2 All reserves and surplus, including but not limited to general reserve and securities premium account of Transferor Company as on the Appointed Date shall be transferred to and vested in Transferee Company at their existing carrying amounts and in the same form in which they appear in the books of Transferor Company.
- 7.3 Any inter-company balances / transactions between the Transferor Company and the Transferee Company shall stand cancelled.
- 7.4 The equity shares of Transferee Company held by Transferor Company shall stand cancelled in accordance with Clause 6.1 of the Scheme and as a result equivalent equity share capital of Transferee Company and the book value of investments held by Transferor Company in Transferee Company recorded as per 7.1 above shall stand cancelled.
- 7.5 The face value of New Equity Shares issued by Transferee Company to the shareholders of Transferor Company pursuant to Clause 5.1 shall be credited to the Equity share capital account of Transferee Company.
- 7.6 The difference, if any, of the value of assets over the value of liabilities and reserves transferred to Transferee Company as stated above and the face value of New Equity Shares issued by Transferee Company, after providing for adjustments as stated above shall be adjusted in reserves of the Transferee Company.

8. COMBINATION OF AUTHORISED SHARE CAPITAL

- 8.1 Upon sanction of this Scheme, the authorized share capital of the Transferee Company shall automatically stand increased and reclassified without any further act or deed on the part of the Transferee Company, including payment of Stamp Duty and Registrar of Companies fees, by the authorized share capital of Transferor Company amounting to Rs.125,00,000 divided into 9,50,000 equity shares of Rs. 10/- each, 1,00,000 preference shares of Rs.10/- each and 1,00,000 preference shares of Rs.20/- each.
- 8.2 Consequently, the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorised share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme, whether at a meeting or otherwise, shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Sections 13, 14 and 61 of the Companies Act, 2013 and other applicable provisions of the Act of 1956 would be required to be separately passed, as the case may be and for this purpose the stamp duties and fees paid on the authorised share capital of the Transferor Company shall be utilized and applied to the increase and reclassification of authorised share capital of the Transferee Company and there would be no requirement for any further payment of stamp duty and/or fee by the Transferee Company for increase in the authorised share capital to that extent.
- 8.3 Pursuant to the Scheme becoming effective and consequent amalgamation of the Transferor Company with the Transferee Company, the authorised share capital of the Transferee Company would be increased and reclassified as under:

Particulars	Amount (Rs)
Authorised Capital 31,25,00,000 Equity Shares of Re.1 each	31,25,00,000
TOTAL	31,25,00,000

It is clarified that the approval of the members of the Transferee Company to the Scheme, whether at a meeting or otherwise, shall be deemed to be their consent/approval also to the amendment of the Memorandum of Association of the Transferee Company as may be required under the Act of 1956 or Act of 2013.

9. CONDUCT OF BUSINESS TILL EFFECTIVE DATE

With effect from the Appointed Date and upto and including the Effective Date:

- 9.1. The Transferor Company shall be deemed to have been carrying on and shall carry on its business and activities and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to business of the Transferor Company for and on account of and in trust for the Transferee Company. The Transferor Company hereby undertakes to hold the said assets with utmost prudence until the Effective Date.
- 9.2. The Transferor Company shall not, except in the ordinary course of business or without prior written consent of the Transferee Company alienate charge, mortgage, encumber or otherwise deal with or dispose of any of its properties or part thereof of the Transferor Company.
- 9.3. The Transferor Company shall not vary the terms and conditions of employment of any of the employees of the Transferor Company except in the ordinary course of business or without the prior consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company as the case may be, prior to the Appointed Date.
- 9.4. All profits or income accruing or arising to the Transferor Company or expenditure or losses incurred by the Transferor Company shall for all purposes be treated and deemed to be in profits or income or expenditure or losses (as the case may be) of the Transferee Company.

10. EMPLOYEES

- 10.1 On the Scheme becoming effective all the employees of the Transferor Company shall become the employees of the Transferee Company, without any break or interruption in their services, on same terms and conditions on which they are engaged as on the Effective Date. The Transferee Company further agrees that for the purpose of payment of any retirement benefit / compensation, other terminal benefits, such immediate uninterrupted past services with the Transferor Company shall also be taken into account.
- 10.2 In relation to those employees of the Transferor Company for whom the Transferor Company are making contributions to the government provident fund, the Transferee Company shall stand substituted for such Transferor Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees of the Transferor Company.

11. LEGAL PROCEEDINGS

- 11.1 If any suit, appeal or other proceeding of whatever nature by or against the Transferor Company is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Transferee Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Company as if this Scheme had not been made.
- 11.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated by or against the Transferor Company, the Transferee Company shall be made party thereto and any payment and expenses made thereto shall be the liability of the Transferee Company.

12. CONTRACTS, DEEDS, ETC.

- 12.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, letters of Intent, undertakings, arrangements, policies, agreements of whatsoever nature pertaining to the Transferor Company to which the Transferor Company is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

- 12.2 The Transferee Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Transferor Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.

13. INDEMNITY BY SHAREHOLDERS OF TRANSFEROR COMPANY

The shareholders of Transferor Company shall indemnify and hold harmless the Transferee Company and its directors, officers, representatives, partners, employees and agents (collectively, the "Indemnified Persons") for losses, liabilities, costs, charges, expenses (whether or not resulting from third party claims), including those paid or suffered pursuant to any actions, proceedings, claims and including interests and penalties discharged by the Indemnified Persons which may devolve on Indemnified Persons on account of amalgamation of Transferor Company into Transferee Company but would not have been payable by such Indemnified Persons otherwise, in the form and manner as may be agreed amongst Transferee Company and the shareholders of Transferor Company.

14. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 4 above and the continuance of proceedings by or against the Transferor Company under Clause 11 above shall not affect any transaction or proceedings already concluded by the Transferor Company on or after the Appointed Date till the Effective Date (both days inclusive), to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of the Transferee Company.

15. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall stand dissolved without being wound-up.

PART C - GENERAL TERMS AND CONDITIONS

16. APPLICATION TO HIGH COURT

The Transferor Company and the Transferee Company shall with all reasonable dispatch make all necessary applications under Section 391 to 394 of Companies Act 1956 read with Section 100 to 103 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and Act of 2013 to the High Court, within whose jurisdiction the registered offices of the Transferor Company and the Transferee Company are situated for sanctioning the Scheme.

17. MODIFICATION OR AMENDMENTS TO THE SCHEME

- 17.1 The Transferor Company and the Transferee Company by their respective Boards of Directors, may assent to/make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the Courts and/or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board). The Transferor Company and the Transferee Company by their respective Board are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.
- 17.2 The term 'any other authority' referred to in Clause 17.1 above, shall specifically include the Stock Exchanges with which the shares of the Transferee Company are listed and with which the Transferee Company shall file a copy of the Scheme under sub-clause (f) of Clause 24 of the Listing Agreement of the respective Stock Exchanges.
- 17.3 If any part of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any of the Companies or their respective shareholders or creditors, in which case the Scheme will be modified to such extent, as will best preserve for the them the benefits and obligations of the Scheme, including but not limited to such part.
- 17.4 Each of the entities involved in the Scheme shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the Hon'ble High Court or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.

18. CONDITIONALITY OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 18.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of the Transferor Company and Transferee Company as may be directed by the High Court.
- 18.2 The Scheme being approved by a shareholders resolution of Transferee company by way of postal / e-voting in terms of para 5.16 of the SEBI Circulars; provided that the same shall be acted upon only if the votes cast by the public shareholders in favor of the proposal are more than the number of votes cast by the public shareholders against it.
- 18.3 The sanction of the Scheme by the Hon'ble High Court of Andhra Pradesh or any other authority under Sections 391 to 394 of the Act of 1956 read with Section 100 to 103 of the Act of 1956 and the necessary Order under Section 394 of the said Act of 1956 being filed with the Registrar of Companies.
- 18.4 Certified copy of the Orders of the High Court sanctioning the Scheme being filed with the Registrar of Companies, NCLT of Andhra Pradesh by the Transferor Company and the Transferee Company.
- 18.5 The requisite, consent, approval or permission of statutory or regulatory authorities, if any, which by law may be necessary for the implementation of this Scheme, being obtained.

19. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the Hon'ble High Court or such other competent authority and / or the Order not being passed as aforesaid before December 31, 2016 or within such further period or periods as may be agreed upon between the Transferor Company and Transferee Company by their Boards of Directors (and which the Boards of Directors of the Companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation) this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated herein or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

20. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in connection with and implementing this Scheme and matters incidental shall be borne by the Transferor Company and / or its shareholders.

* * * * *

DCS/AMAL/AC/24(f)/420/16-17
June 16, 2016



The Company Secretary,
HBL POWER SYSTEMS LTD
8-2-601, Road No 10, Banjara Hills,
Hyderabad, Telangana, 500034.

Sir/Madam,

Sub: Observation letter regarding the Draft Scheme of Amalgamation between Beaver Engineering and Holdings Private Limited and HBL Power Systems Limited.

We are in receipt of Draft Scheme of Amalgamation between Beaver Engineering and Holdings Private Limited and HBL Power Systems Limited.

As required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated June 16, 2018 has inter alia given the following comment(s) on the draft scheme of arrangement:

- > ***“Company to ensure that additional information, if any, submitted by the Company, after filling the scheme with the stock exchange, is displayed from the date of receipt of this letter on the website of the listed company”***
- > ***“Company shall duly comply with various provisions of the Circulars.”***

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- > **To provide** additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- > **To ensure that** additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website,
- > **To duly comply** with various provisions of the circular.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/e-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a. **Copy of the High Court approved Schema;**
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining **changes**, if any, and reasons for such changes carried out in the Approved Scheme vis-a-vis the Draft **Scheme**;
- d. Copy of the observation letter issued by all the Stock Exchanges where Company is listed,
- e. Status of compliance with the Observation **Letter/s** of the stock exchanges;
- f. The **application** seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever **applicable**; and
- g. Complaints Report as per Annexure II of this Circular,
- h. Any other documents as informed by the Exchange.

The Exchange reserves its right to withdraw its “No adverse observation” at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations do not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pujari
Manager



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai 400001 India
T : +91 22 2272 1234/33, E: corp.comm@bseindia.com, www.bseindia.com
Corporate Identity Number : U67120MH2005PLC155188



**NATIONAL STOCK EX-
CHANGE
OF INDIA LIMITED**

NIFTY 50
Stock of the nation

Ref : NSE/LIST/76854

The Company Secretary
HBL Power Systems Limited
8 - 2 - 601, Road No. 10,
Banjara Hills, Hyderabad – 500034.

June 17, 2016

Kind Attn.: Mr. MVSS Kumar

Dear Sir,

Sub: Observation letter for draft Scheme of Arrangement and Amalgamation between Beaver Engineering & Holdings Private Limited (the Transferor Company) and HBL Power Systems Limited (the Transferee Company) and their respective Shareholders and Creditors.

This has reference to draft Scheme of Arrangement and Amalgamation under section 391 read with section 394 of the Companies Act, 1956 amongst Beaver Engineering & Holdings Private Limited (the Transferor Company) and HBL Power Systems Limited (the Transferee Company) and their respective Shareholders and Creditors submitted to NSE vide your letter dated April 06, 2016.

Based on our letter reference no. NSE/LIST/74871 submitted to SEBI and pursuant to SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI has vide letter dated June 16, 2016, has given following comments on the draft Scheme of Arrangement:

- a. The Company shall ensure that additional information, if any, submitted after filing the scheme with the Stock Exchanges, is displayed from the date of receipt of this letter on the website of the listed company.
- b. The Company shall duly comply with various provisions of the Circulars."

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from June 17, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court;
- b. Result of voting by shareholders for approving the Scheme;
- c. Statement explaining changes, if any and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme.
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per SEBI Circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,
For National Stock Exchange of India Limited

Kamlesh Patel
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following
URL http://www.nseindia.com/corporates/content/further_issues.htm



To
The Board of Directors,
HBL Power Systems Ltd.
8-2-601, Road No. 10, Sahara Hills,
Hyderabad, Andhra Pradesh - 500034

Dear Sirs/Madams,

Subject: Fairness Opinion Report on the Share Allotment Ratio of the Merging Entities (HBL Power Systems Limited and Beaver Engineering and Holdings Private Limited) in the Proposed Schemes of Arrangement and Amalgamation.

We, SBI Capital Markets Limited ("SBICAP") understand that HBL Power Systems limited ("HBL" or the Company") is contemplating an amalgamation of Engineering and Holdings Private Limited, (Beaver) (the holding company of HBL) with HBL under Sections 391 - 394 read with Section 100 – 103 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and the companies Act, 2013 (Proposed Scheme of Arrangement and Amalgamation") and has initiated a valuation exercise by appointing Price Waterhouse & Co LLP ("Valuer" or "PWC") to determine the Share Allotment Ratio recommended by the Valuer as per the requirements of the Securities and Exchange Board of India Circular No. CIR/CFD/CMD/2015 dated November 2015.

Sources of Information:-

- I. The draft Proposed-Scheme of Arrangement and Amalgamation
- II. The valuation report based upon which the Valuer has arrived at the Share Allotment Ratio
- III. The financial information relating to HBL and Beaver for the year ended March 31st, 2015 included in the annual reports provided by the Management.
- IV. The provisions financial statement as on December 31, 201 5 for HBL and Beaver
- V. The current share holder HBL and Beaver
- VI. Relevant Management representations received from HBL

SBICAP has not -undertaken the valuation of Nil and Beaver, The valuation exercise for the Proposed Scheme of Arrangement and Amalgamation has been done by PWC, We have examined the Valuation Report dated March 23, 2016 submitted by PWC to the Company, We have not independently checked or verified the assumptions made by PWC, We have reviewed the historical financial and business information of the Company and certain comparable companies and their valuation multiples, and other relevant information from publicly available sources, and have taken into account such other matters as we deemed necessary including our assessment of general market and monetary conditions.

In addition to the above, we have had discussions with the Company officials on the past and current business operations of the businesses concerned.

Further, we have had discussions with PWC on such matters which we believe are necessary or appropriate for the purpose of issuing the Fairness Opinion Report.

We assume no responsibility for the legal, tax, accounting or structuring matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed to be good and marketable and we would urge the Company to carry out an independent assessment of the same prior to entering into any transaction, after giving due weightage to the results of such assessment.

We Have assumed and relied upon, without independent verification, the accuracy and completeness of all information supplied or otherwise made available to us either in oral or written form, discussed with or reviewed by or for us, or publicity available. We have been informed that all information relevant for the purpose of issuing the Fairness Opinion Report has been disclosed to us and we are not aware of any material information that has been omitted or that remains undisclosed. This being so, no representation or warranty, express or implied, is or will be made, and no responsibility or liability is or will be accepted by SBICAP and its affiliates,

its directors, employees, agents or representatives, or in relation to, the accuracy or adequacy of information, contained in the Fairness Opinion Report or any other written or oral information made available to any party or their advisors. We do not accept any liability to any third party in relation to the issuance of this Fairness Opinion Report.

We have not conducted any evaluation of the solvency or fair value of the Company, under any laws relating to bankruptcy, insolvency or similar matters. In addition we have not assumed any obligation to conduct any physical inspection of the properties or facilities of HBL or Beaver. We have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or publicly available we have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of HBL or Beaver.

Our Fairness Opinion Report does not factor overall economic environment risk and other risks and is purely based on the information and representations provided to us, We have not assumed the risk of any material adverse change having an impact on the business of HBL or Beaver.

We express no view as to, and our Fairness Opinion Report does not address the underlying business decision of any company to effect the Proposed Scheme of Arrangement and Amalgamation or the merits of the Proposed Scheme of Arrangement and Amalgamation nor does it constitute any kind of recommendation to any shareholder or creditor of HBL or Beaver as regards to the Proposed Scheme of Arrangement and Amalgamation or any matter related thereto. In addition, this Fairness Opinion Report does not address the fairness to, or any other consideration of, the holders of any class of securities, creditors or other constituencies of Hit and Beaver, We are not expressing any suggestion or opinion herein m to the price at which the shares of HBL will trade following the announcement of consummation of the Proposed Scheme of Arrangement and Amalgamation,

Our Fairness Opinion Report is not and does not purport to be an appraisal or otherwise reflective of the prices at which any business or securities actually could be ideally bought or sold by any party and not indicative of actual value or actual future results that might be achieved, which value may be Higher or lower than those indicated, and any investment decision shall not be based solely on this Fairness Opinion Report-and the buyer shall carry out their own due diligence.

Our Fairness Opinion Report is not necessarily based on economic, market and other conditions as in effect on the date of issuing this Fairness Opinion Report, and the Information made available to us as of, the date hereof should be understood that in case of any subsequent developments we do not have any obligation to-update, revise, or reaffirm this Fairness Opinion Report

To the extent that the conclusions are based on projections, SBICAP expresses no opinion on the achievability of those forecasts.

In the ordinary course of business, we and our affiliates may actively trade or hold securities of the company that may be the subject matter of this transaction for our own account or for the account of our customers and accordingly, may at any time hold long or short position in such securities.

This Fairness Opinion Report is provided solely for the benefit of the Board of Directors of HBL and shall not confer rights or remedies upon, any shareholder of HBL or any other person other than the members of the Board of Directors of HBL or be used for any other purpose. This fairness Opinion Report is only a free and fair opinion and does not constitute a commitment by SSICAP to underwrite, subscribe for or place any securities or to extend or arrange credit or to provide any other services.

Disputes, if any, regarding this Fairness Opinion Report will be governed by and construed in accordance with the laws of India and the Courts in Mumbai, India shall have exclusive jurisdiction in this regard.

On the basis of and subject to the foregoing, to the best of our knowledge and belief, it is our view that as of the date hereof, the Share Allotment Ratio In relation to the Proposed Scheme of Arrangement and Amalgamation is fair, from a financial point of view.

Thanking you,

Yours faithfully,

For SBI Capital Markets Limited



Name: Ramnish Kochgave
Designation: Vice President



Disclaimer

This fairness opinion certificate (Certificate" or "This certificate" or "this certificate") contains proprietary and confidential information regarding HBL Power Systems limited and Beaver Engineering and Holdings Private limited ("Merging entities"). This certificate is issued for the exclusive use and benefit of the Company as per the Engagement letter dated March 21, 2016. This certificate has been issued by SBI Capital Markets Limited ("SBICAP")* on the basis of the information available in the public domain and sources believed to be reliable and the information provided by the Merging Entities, Valuer and for the purpose to facilitate the Company to comply with, if applicable, The SEBI Listing Obligations and Disclosure Regulations 2015 as amended, ("listing Relations") and it shall not be valid for any other purpose or as at any other date. This Certificate is issued by SBICAP in the capacity of an Independent merchant banker on the valuation of assets/shares of the Merging Entities done by PWC.

This certificate is issued by SBICAP without regard to specific objectives, suitability, financial situations and needs of any particular person and does not constitute any recommendation, and should not be construed as an offer to sell or the solicitation of an offer to buy, purchase or subscribe to any securities mentioned therein. Nothing in these materials is intended by SBICAP to be construed as legal, accounting, technical or tax advice. Past performance is not a guide for future performance, Forward-looking statements are not predictions and may be subject to change without notice. Actual results may differ materially from these forward-looking statements due to various factors. This certificate has not been or may not be approved by any statutory or regulatory authority in India or by any Stock Exchange in India, This certificate may not be all inclusive and may not contain all of the reformat ion that the recipient may consider material.

This certificate and information contained herein or any part of it does not constitute or purport to constitute investment advice in publicly accessible media and should not be printed, reproduced, transmitted, sold, distributed or published by the recipient without the prior written approval from SBICAP, The distributing / taking/sending / dispatching/transmitting of this document in certain foreign jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

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SBICAP has not carried out any due – diligence independently in verifying the accuracy or veracity of data provided by the Company and/or Valuer and SBICAP assumes no liability for the accuracy, authenticity, completeness or fairness of the data provided by the Company and / or Valuer. SBICAP has also assumed that the business continues normally without any disruptions.

Neither SBICAP nor State Bank of India or any of its associates, nor any-of their respective Directors, officers, employees, agents or advisors or affiliate of any such person or such persons make any express or implied representation or warranty and no responsibility or liability is accepted by any of them and is expressly disclaimed with respect to the accuracy, completeness, authenticity or reasonableness of the facts, opinions, estimates, forecasts, projections or other information set forth in this certificate, or the underlying assumptions on which they are based and nothing contained herein is or shall be relied upon as a promise or representation regarding the historic or current position or performance of the Company or any future events or performance of the Company.

This certificate may be divided into chapters & sub-sections only for the purpose of reading convenience. Any partial reading of this-certificate may lead to inferences, which may be at divergence with the conclusions and opinions on the entirety of this certificate.

The opinion of SBICAP ["Opinion"] under this is not Intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the proposed business transaction or any matter related therein. The opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed business transaction with the provisions of any law including company law, taxation and capital market laws or as regards any legal implications or issues arising thereon, SBICAP assumes no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. SBICAP does not express any opinion as to the price at which shares of the HBL may trade at any time, including subsequent to the date of this opinion. In rendering the Opinion SBICAP has assumed, that the proposed business transaction will be implemented on the terms described in the- Merger Agreement, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary regulatory or third party approvals for the business transfer, no delay,

limitation, restriction or condition will be imposed that would have an adverse affect on the entities under the proposed business transaction and / or its holding or subsidiaries or affiliates and their respective shareholders.

In the past, SBICAP may have provided, and may currently or in the future provide. Investment Banking services to the entities under the proposed business transaction and / or its holding or subsidiaries or affiliates and their respective shareholders, for which services SBICAP has received or may receive customary fees, in addition, in the ordinary course of their respective businesses, of SBICAP may actively trade securities of the entities under the proposed business transaction and / or its holding or subsidiaries or affiliates and their respective shareholders for their own; accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. SBICAP engagement and the opinion expressed herein are for the benefit of the Board of Directors of the entities under the proposed business transaction and for no other purposes, Neither SBICAP, nor its affiliates, partners, directors, shareholders, managers, employees or of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on relating to any such information contained therein.

This certificate is furnished on a strictly confidential basis and is for the sole use of the person to whom it is addressed. Neither this certificate, nor the information contained herein, may be reproduced or passed to any person or used for any purpose other than stated above, without the prior written approval from SBICAP. By accepting a copy of this certificate, the recipient accepts the terms of this Notice, which forms an integral part of this certificate.



HBL POWER SYSTEMS LIMITED

CIN : L40109TG1986PLC006745

Registered Office: 8-2-601 Road 10, Banjara Hills, Hyderabad - 500 034

COMPLAINTS REPORT:

PART - A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	NIL
2.	Number of complaints forwarded by Stock Exchange	NIL
3.	Total Number of complaints/comments received (1+2)	NIL
4.	Number of complaints resolved	NA
5.	Number of complaints pending	NA

Sr. No.	Date of Complaint	Date of Complaint	Status (Resolved/Pending)
1.	---	---	---
2.	---	---	---
3.	---	---	---

For HBL Power Systems Limited

MVSS Kumar
Company Secretary

email: mkumar@hbl.in / nrkrishna@hbl.in
Tel: + 91-8418301640 to 650 (Ext 259)

**HIGH COURT OF JUDICATURE AT HYDERABAD
FOR THE STATE OF TELANGANA AND STATE OF ANDHRA PRADESH
(ORIGINAL JURISDICTION)**

COMPANY APPLICATION No. 1111 OF 2016

In the matter of Companies Act, 1956 (1 of 1956)
And
In the matter of Sections 391 and 394 of the said Act
And

In the matter of M/s.HBL Power Systems Limited
And
In the matter of M/s. Beaver Engineering and Holdings Private Limited
And
Their Respective Shareholders and Creditors

M/s. HBL Power Systems Limited
a Company registered under the
Companies Act, 1956 and having
Its registered office at 8-2-601, Road No.10,
Banjara Hills, Hyderabad – 500 034,
Telangana, Represented by its Director
Mr. MSS Srinath

... Applicant/
Transferee Company

PROXY FORM (Form No. MGT-11)

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

Name of Member(s)	
Registered Address	
E-Mail ID	
Folio No./Client ID	
DP ID	

I/We, being the member(s) holding _____ shares of above named the Transferee Company, hereby appoint:

1.

Name:	
Address:	
E-mail ID:	
Signature:	

Or failing him/her

2.

Name:	
Address:	
E-mail ID:	
Signature:	

Or failing him/her

3.

Name:	
Address:	
E-mail ID:	
Signature:	

as my/our proxy to attend and vote, in case of a poll, for me/us and on my/our behalf at the Court Convened Meeting of the Equity Shareholders of the Company to be held on Saturday, the 17th day of September, 2016 at 10.00 a.m. at KLN Prasad Auditorium, FTAPCCI, FTAPCCI Marg, Red Hills, Lakdikapul, Hyderabad - 500004, Telangana, for the purpose of considering and if thought fit, approving, with or without modification(s), the Scheme of Arrangement and Amalgamation of Beaver Engineering and Holdings

Private Limited ("Transferor Company") and HBL Power Systems Limited ("Transferee Company") and their respective Shareholders and Creditors under Sections 391 to 394 of the Companies Act, 1956 at such meeting and any adjournment or adjournments thereof, to vote, for me/us and in my/our name(s) (here, if for, insert 'FOR', or if against, insert 'AGAINST' and in the latter case strike out the words 'EITHER WITH OR WITHOUT MODIFICATIONS' after the word resolution) the said proposed Scheme, either with or without modification(s)*, as my/our proxy may approve.

*Strike-off whichever is not applicable

Signed this _____ day of _____ 2016

Signature of Shareholder(s):



Signature of Proxy holder(s):

Notes:

- * All alterations made in the Form of the Proxy should be initialed.
- * Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
- * In case of multiple proxies, the Proxy later in time shall be accepted
- * This form of Proxy, to be effective, should be deposited at the Registered Office of the Company at 8-2-601, Road No.10, Banjara Hills, Hyderabad – 500 034, not later than **FORTY-EIGHT HOURS** before the commencement of the aforesaid Meeting.

HBL Power Systems Limited

CIN: L40109TG1986PLC006745

Regd. Office.: 8-2-601, Road No.10, Banjara Hills, Hyderabad – 500 034

ATTENDANCE SLIP

DP. ID*	
Client ID*	

Master Folio No.	
No. of Shares held	

I hereby record my presence at the meeting of the Shareholders convened under the directions of Hon'ble High Court of Judicature at Hyderabad, vide order dated 11th August, 2016 passed in Company Application No. 1111 of 2016, held on Saturday, September 17, 2016 at KLN Prasad Auditorium, FTAPCCI, FTAPCCI Marg, Red Hills, Lakdikapul, Hyderabad, Telangana 500004 at 10.00 a.m.

Name of Member's/Proxy's/Authorized Representative's

Signature of Member's/Proxy's/Authorized Representative's

**** Applicable for shareholders holding equity shares in electronic form.***

NOTE:

- Shareholders/proxy holder(s) are requested to bring the attendance slips with them when they come to the meeting and hand over them at the entrance after affixing their signature on them.
- In case of joint holders attending the meeting only such joint holder who is higher in order of the names will be entitled to vote.

HBL Power Systems Limited

CIN - L40109TG1986PLC006745

Registered Office: 8-2-601, Road No 10, Banjara Hills, Hyderabad, - 500034, Telangana, India
Tel: +91-40-23355575 Fax: +91-40- 23355048 E-mail: contact@hbl.in; investor@hbl.in Website: www.hbl.in

POSTAL BALLOT FORM

1	Name and Registered address of the First named equity shareholder (In block letters)	
2	Name(s) of the Joint Holder(s) if any	
3	Regd. Folio No. / DP ID & Client ID* (*Applicable to investors holding shares in dematerialized form)	
4	No. of Shares	

I/ we hereby exercise my/ our vote in respect of the following Resolutions to be passed through Postal Ballot / e-voting for the business stated in the notice of the Company by sending my/ our assent/ dissent by placing tick ("") mark at the end of the appropriate box below:

Sr.No.	Description	No. of shares	I/ we assent to the Resolution(For)	I/ we dissent to the Resolution(Against)
	Approval of the scheme of arrangement and amalgamation between Beaver Engineering and Holdings Private Limited and HBL Power Systems Limited and their respective shareholders and creditors			

Date:

Place:

Signature of the Equity shareholder

NOTE:

1. Please read carefully the instructions printed overleaf before exercising the vote.
2. The Transferee Company is pleased to offer all its equity shareholders, e-voting facility as an alternative mode for casting their votes electronically, instead of sending the Postal ballot forms to the scrutinizer. However, e-voting is optional.

INSTRUCTIONS

1. Equity shareholders may fill up the Postal Ballot Form printed overleaf and submit the same to the scrutinizer in the enclosed self-addressed business reply envelope so as to reach on or before 5.00 pm on September 17, 2016. Postal Ballot Form received thereafter will strictly be treated as if not received.
2. Alternatively, an equity shareholder may vote through electronic means as per "Procedure for voting through e-voting" in the Postal Ballot notice sent herewith.
3. Postal ballot Voting period will start from 9.00 am on August 19, 2016 and will end on September 17, 2016 at 5.00 p.m.
4. The Transferee Company will not be responsible if the envelope containing the Postal Ballot Form is lost in transit.
5. Unsigned, incomplete or incorrectly ticked forms are liable to be rejected and the decision of the scrutinizer on the validity of the Postal Ballot forms will be final.
6. In the event equity shareholders casts his votes through both the processes i.e. E-voting and Postal Ballot Form, the votes in the electronic system would be considered and the Postal Ballot Form would be ignored.
7. The right of voting by Postal Ballot Form shall not be exercised by a proxy.

8. To avoid fraudulent transactions, the identity/signature of the equity shareholders holding equity shares in electronic/ demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of equity shareholder holding shares in physical form is verified as per the records of the share transfer agent of the Transferee Company. Equity shareholders are requested to keep the same updated.
9. There will be only one Postal Ballot Form for every Folio/ Beneficiary ID irrespective of the number of joint holders. Please convey your assent or dissent only by putting a tick mark in the relevant box signifying your assent or dissent.
10. In case of joint registered holders of any equity share, anyone of such persons may vote at the meeting either personally or by proxy in respect of such equity shares as if he were solely entitled thereto and if more than one of such joint shareholders be present at the meeting either personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share alone shall be entitled to vote in respect thereof.
11. Where the Postal Ballot Form has been signed by an authorized representative of the body corporate/Trust/ Society, etc. a certified copy of the relevant authorization/Board Resolution to vote should accompany the Postal Ballot Form.
12. Voting rights for the Postal Ballot/ e-voting shall be reckoned on the paid up value of the shares registered in the names of the equity shareholders as on September 10, 2016.
13. Equity shareholders may download the Postal Ballot Form from the Transferee Company's website www.hbl.in or seek a duplicate Postal Ballot Form. However, the duly completed Postal Ballot Form should reach the scrutinizer not later than the close of working hours 5.00 p.m. on September 17, 2016. Postal Ballot Forms received after that date will be strictly treated as if reply from such equity shareholder has not been received.
14. The scrutinizer shall, immediately after the conclusion of the Postal Ballot voting period, unblock the votes cast through remote e-voting and also count the votes received by post through Postal Ballot Form, in the presence of at least two (2) witnesses not in the employment of the Transferee Company.
15. The scrutinizer will collate the votes downloaded from the e-voting system and votes received through Postal Ballot form and make, not later than September 17, 2016 a consolidated scrutinizer's report of the total votes cast in favour or against, if any, which shall be signed by the scrutinizer.