

May 24, 2026

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Bandra (East) Mumbai – 400 051
NSE CODE: HBLENGINE

The Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai – 400 001
BSE STOCK CODE: 517271

Dear sir / madam,

INFORMATION TO THE SHAREHOLDERS

The following information is provided to shareholders because it is relevant for interpreting the results published on 23 May 2026

1. **FY 26** overall results were significantly better than FY 25 overall results, as expected as early as September 2025 when the cover of the annual report carried the message “**In the next orbit**”.
2. **Q4 FY 26** sales were better than sales for Q4 of FY 25. However, profitability was lower. This was due to two factors:
 - Kavach contracts vary in profitability for many reasons. (This is the nature of the business and is beyond management control. Even in future, we should be prepared for varying profitability).
 - Cumulative effect of many small reasons, like provisions for maintenance obligations on Kavach contracts, compliance with labour codes, R&D expenses charged off etc.
3. **FY 27** Management’s cautious estimates for sales and profits show that Fy 27 sales and profit, would be significantly better than Fy 26. However, there will be variation in profitability among the four quarters. This variability would be primarily due to the Kavach business. But other factors, including the impact of the gulf war on shipping, energy costs and inflation would also play a part.
4. **The future.** Shareholders are informed that other high-tech and higher margin business HBL has been investing for many years will become substantial sources of sales and profits in a few years.

Yours truly
For HBL Engineering Limited


GBS Naidu
Company Secretary

