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**HBL**<sup>®</sup>  
**HBL Power Systems Ltd.**

23rd March 2016

The Manager  
Department of Corporate Services  
BSE Limited  
Phiroze Jeejeeboy Towers  
Dalal Street Fort  
Mumbai 400 001  
Fax No.: 22722037/39/41/61/3121/3719

The Assistant Vice President  
Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza, 5th Floor Plot No.C/1 G  
Block Bandra Kurla Complex,  
Bandra (East) Mumbai 400 051  
Fax No.: 26598237/38

BSE Scrip Code: 517271

NSE Scrip Symbol: HBLPOWER

Dear Sirs

**POST BOARD MEETING INTIMATION**

**OUTCOME OF THE BOARD MEETING HELD ON 23 MARCH 2016 - DISCLOSURE UNDER REGULATION 30(2) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH SUB-PARA 1.3 OF PARA A 1 OF ANNEXURE I OF CIRCULAR CIR/CFD/CMD/4/2015 DATED 9TH SEPTEMBER 2015 ISSUED BY SECURITIES AND EXCHANGE BOARD OF INDIA**

With regard to the captioned subject, we hereby inform you that the Board of Directors of the Company, at its meeting held on March 23<sup>rd</sup>, 2016, have approved the Scheme of Arrangement and Amalgamation of Beaver Engineering & Holdings Private Limited ('Beaver' or 'Transferor Company') with HBL Power Systems Limited ('HBL' or 'the Transferee Company') and their respective shareholders and creditors (herein referred to as the 'Scheme'). The Scheme shall be subject to approval / sanction by the Hon'ble High Court at Hyderabad (for AP and Telangana) and such other authority, as may be necessary. A detailed disclosure as required under Regulation 30 of the Listing Regulations, 2015 read with Circular CIR/CFD/CMD/4/2015 dated 9 September, 2015 is enclosed as Annexure-A.

We request to take the same on record.

Thanking You

Yours faithfully  
For HBL POWER SYSTEMS LTD

MVSS Kumar  
Company Secretary



**a. Name of the entities forming part of the amalgamation**

Transferor Company: Beaver Engineering & Holdings Private Limited (BEHPL)

Transferee Company: HBL Power Systems Limited (HBL)

Proposed Appointed Date for the amalgamation - 1<sup>st</sup> April 2016

**b. Details in brief of the companies involved in the scheme as on March 31, 2015 is as under**

Criteria	Transferor Company	Transferee Company
Networth	Rs 170.27 crores	Rs 587.63 crores
Turnover	Rs 4.05 crores	Rs 1330.07 crores

**c. Whether the Transaction would fall within related party transactions? If yes, whether the same is done at arm's length**

The Transferor Company is the holding company of Transferee Company and hence both companies are related parties.

Post- merger of the Transferor company with the Transferee company, all the shareholders of the Transferor Company would be issued shares of the Transferee Company based on the valuation report obtained from independent valuers, M/s Price Waterhouse & Co LLP and fairness opinion provided by M/s SBI Capital Markets Ltd, Independent Category-I Merchant Banker.

**d. Rationale of the Scheme**

The proposed merger shall allow the shareholders of the Transferor Company viz. the promoters and the investors to directly hold shares in the listed company. This will result in following benefits to the Companies and their respective shareholders and stakeholders.

- Improved 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.

**e. Area of business of the entity(ies)**

Beaver Engineering & Holdings Private Limited is the holding company for HBL Power Systems Ltd. Beaver is also engaged in the sales of engineered products.

HBL Power Systems Limited is engaged in the business of manufacture of batteries, industrial electronics, defense electronics and railway electronic signalling.

**f. In case of cash consideration – amount or otherwise share exchange ratio**

There is no cash consideration. The share exchange ratio based on the valuation report of Independent Chartered Accountant, M/s Price Waterhouse & Co LLP and Fairness Opinion provided by M/s SBI Capital Markets Ltd, Independent Category-I Merchant Banker is as follows:

- 3883 fully paid up Equity Shares of Re 1 each 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.
- 3753 fully paid up Equity Shares of Re 1 each 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.
- 3901 fully paid up Equity Shares of Re. 1 each 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.

**g. Brief details of change in shareholding pattern (if any) of listing entity**

Existing shareholding of HBL	Post-merger likely shareholding of HBL
Promoters (including Transferor Company): 74.13%	Promoters : 56.25%
Public: 25.87%	Public: 43.75%

