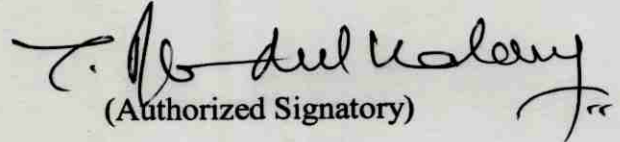


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**Undertaking to Pay cost of raising and maintenance of Compensatory
Afforestation**

We hereby undertake to pay the cost of raising and maintenance of compensatory afforestation (including raising and maintenance of plantations, aided natural regeneration, SMC works etc.,) over non-forest land offered to forest department, as and when demanded by the forest authorities and also undertake to pay the additional amount if any due to escalation or any other charges at a later date as per the demand raised by the forest authorities.


(Authorized Signatory)



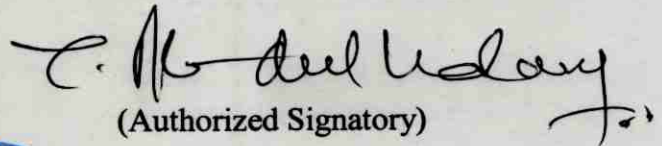
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Undertaking to Pay cost of extraction of tree growth

We hereby undertake to pay the cost of exploitation of tree growth of the forest land proposed for diversion under this project as and when demanded by the Forest Authorities and also undertake to pay the additional amount, if any, due to escalation or any other charges at a later date as per the demand raised by the forest authorities in respect of proposal for diversion of Proposal for diversion of 2.80 Ha of Forest Land for construction of testing facility in Mahbubnagar Forest Division in favor of M/s.HBL Power Systems Ltd. Hyderabad


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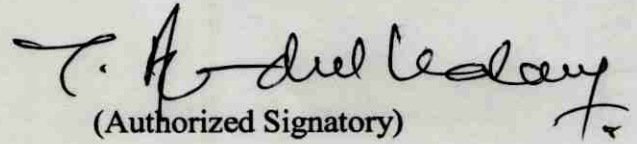
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Undertaking to Pay Net Present Value

We hereby undertake to pay Net Present Value (NPV) as per the guidelines under Forest (Conservation) Act, 1980 and Wildlife (Protection) Act, 1972 in accordance with the orders of the Hon'ble Supreme Court of India/ State Government and Ministry of Environment, Forests and Climate Change in respect of proposed for diversion of Proposal for diversion of 2.80 Ha of Forest Land for construction of testing facility in Mahbubnagar Forest Division in favor of M/s.HBL Power Systems Ltd. Hyderabad We also hereby undertake to pay differential NPV amount, if any, due to escalation or revision of NPV, as and when demanded by the Forest Department.


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Undertaking to pay Addl. Cost of Net Present value (NPV)

We hereby undertake to pay Addl. Cost of Net Present Value (NPV) as per guidelines under Forest (Conservation) Act, 1980 and Wildlife (Protection) Act, 1972 in accordance with the orders of the Hon'ble Supreme Court of India/ State Govt. and MoEF in respect of proposal for diversion of 2.80 Ha of Forest Land for construction of testing facility in Mahbubnagar Forest Division in favor of M/s.HBL Power Systems Ltd. Hyderabad We also hereby undertake to pay differential additional NPV amount, if any, due to escalation or revision of NPV, as and when demanded by the Forest Department.

T. H. Suleman
(Authorized Signatory)



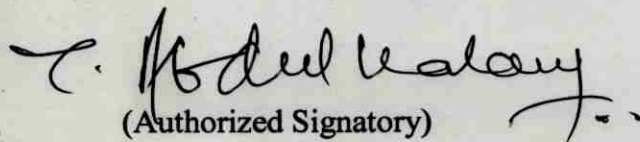
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AREA MINIMUM CERTIFICATE

Certified that the proposed **2.80** ha forest area (including 1.0466 ha of Forest Land of Safety Zone) for diversion is the minimum and essentially required for the purpose of Static Testing Facility in 2.80 Ha of Forest Land for construction of testing facility in Mahbubnagar Forest Division in favor of M/s.HBL Power Systems Ltd. Hyderabad It is also certified that no other forest land has been taken for this project.


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NON VIOLATION CERTIFICATE

Certified that no work has been carried out in violation of F(C) Act, 1980 and W(P) Act, 1972 in the proposed forest area for diversion for the purpose of Static Testing Facility in 2.80 Ha of Forest Land for construction of testing facility in Mahbubnagar Forest Division in favor of M/s.HBL Power Systems Ltd. Hyderabad


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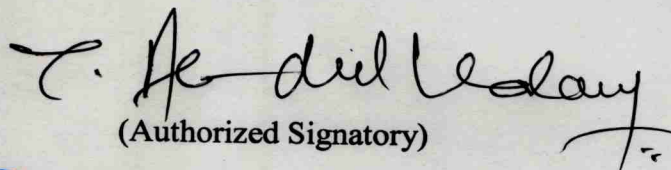
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Undertaking to provide non-forest CA land

We hereby give conditional undertaking to provide identified non-forest land to an extent of 7Acres 05 Guntas in Sy.No 99/1 at Janampet Village of Moosapet Mandal in Mahabubnagar district of Telangana State for compensatory afforestation area, which is adjacent to the Reserve Forest area, as and when the Forest Department.

In accordance with the instructions issued by the PCCF, TS, Hyderabad Rc.No.8620/2017/FCA2, dated 30.05.2017, we have approached the Forest Divisional Officer, Mahabubnagar for issuance of Site Suitability Certificate and also for preparation of CA scheme proposals. Accordingly, the District Forest Officer, Mahabubnagar vide Lr.No. 340/2017/S4, dt.22.01.2018 has issued site suitability certificate for the land identified by us.

We also undertake to submit the Encumbrance Certificate from competent authority in due course, as and when we are in receipt of said demand from the District Forest Officer, Mahabubnagar.


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ANNEXURE-I :Need of the Proposed Acquisition & Feasible Alternatives

The project is envisaged to cater to the requirements of Indian Army for the proposed products Artillery Electronic Fuzes, GRAD Rockets and APFSDS.

Above mentioned products involve manufacturing, assembly & Testing of Ammunition Explosives. The project needs to be implemented in accordance with the guidelines issued by the " Storage & Transport of Explosives Committee, Centre for Fire, Explosive & Environment Safety", Ministry of Defence, New Delhi.

According to these guidelines, certain minimum quantity/safety distances need to be employed between process building to process buildings, process buildings to storage magazines, testing facilities to other explosives/non explosive areas, explosives areas/ explosive buildings to non-explosives areas, dwelling houses, public transport roads, highways etc.

Proposed acquisition of forest land is for set-up of Static Testing Facility for Rockets.

The guidelines pertaining to the scope of this application are as mentioned below:

1. Static rocket firing bay should be sited a minimum 275 m from explosive and non-explosive areas.
2. Storage area comprising mainly of explosives magazines and storehouses should be sited at a minimum distance of 275 m from the process area.
3. The dwelling houses, places of assembly, hospitals, National Highways etc. should not be within 275 m from any of the potential explosion site.

Feasible Alternatives:

For the purpose of explanation and ease of understanding the entire land of HBL Power Systems Limited is divided into two parcels Site-1 & Site-2, proposed acquisition of forest land is considered as Site-3.

Various alternative options have been evaluated to accommodate the process buildings, storage magazines and Static Testing meeting the above mentioned guidelines which are summarized below and concluded that Option—7 is the only feasible solution.

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Option-1: Accommodate Process Buildings & Storage Magazines in HBL Site -
1 and Static Testing in HBL Site-2.

This option is not feasible as guideline 2 & 3 mentioned above does not meet.

Option-2: Accommodate Process Buildings & Storage Magazines in HBL Site -
2 and Static Testing in HBL Site-1.

This option is not feasible as guidelines 2 & 3 mentioned above does not meet.

Option-3: Accommodate Process Buildings & Static testing in HBL Site -1 and
Storage Magazines in HBL Site-2.

This option is not feasible as guideline 1 & 3 mentioned above does not meet.

Option-4: Accommodate Process Buildings in HBL Site -1 and Storage
Magazines & Static testing in HBL Site-2.

This option is not feasible as guideline 1 & 3 mentioned above does not meet.

Option-5: Accommodate Storage Magazines & Static Testing in HBL Site -1
and Process Buildings in HBL Site-2.

This option is not feasible as guidelines 1 & 3 mentioned above does not meet.

Option-6: Accommodate Storage Magazines in HBL Site -1 and Process
Buildings & Static Testing in HBL Site-2.

This option is not feasible as a guideline 1 & 3 mentioned above does not meet.

Option-7: Accommodate Process Buildings in HBL Site-1, Storage Magazines
in HBL Site-2 and Static Testing in Site-3(Proposed Acquisition).

Feasible Option as all the guidelines 1,2 & 3 mentioned above meet.

There is no other land in the nearby vicinity adjacent to HBL Site meeting all the
above criteria.



Regd. Office :

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