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

June 28, 2023

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

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

Dear sir / madam,

**OUTCOME OF THE BOARD MEETING HELD ON JUNE 28, 2023**

We refer to our communication dated June 22, 2023 pursuant to Regulations 30 read with Part A of Schedule III SEBI (LODR) Regulations, 2015, we wish to inform you that the Board of Directors at their meeting held on June 28, 2023, have felt the proposal is not attractive and advised the Company to find alternatives to address matter. Hence, the present proposal is not accepted.

A brief note on the proposal and outcome of the meeting is annexed.

The meeting commenced at 10:30 a.m. and ended at 11:20 am..

This is for your information and record.

Yours faithfully  
For HBL Power Systems Limited



GBS Naidu  
Company Secretary



**On Proposed Slump Sale of Power Electronics (PE) and  
(IPS) Integrated Power Supply Businesses to  
MOEBIUS Power Electronics Private Limited**

1. **PRODUCTS INVOLVED, THEIR MARKETS AND SALES**

Power Electronics products are sold to industry and are :

a. **DC UPS/ Thyristor Controlled Battery Chargers/ IGBT Battery Chargers, DC Distribution Boards:**

These products are used in many Industries, where electrical loads are required to be driven by DC Supply. Battery chargers are used predominantly for DC supply to loads and also to Charge the battery for backup use when grid is not available.

b. **Battery Monitoring Systems – Industrial**

Battery Monitoring Systems are used to reduce the need for manual intervention during routine maintenance.

Market segments include Power Sector (Generation, Transmission, Distribution), Oil & Gas and other process industries.

c. **Integrated Power Systems (IPS):**

Integrated Power Supply systems are sold only to Railways. They are not part of Kavach/TCAS business.

An IPS is a comprehensive power supply system comprising of Battery charger, DC-DC Converters and Inverters along with a suitable battery, to power equipment with different electrical voltages in a Railway station from a single source of supply (hence the name IPS). Earlier each station had multiple batteries, one for each voltage as needed by the signaling equipment.

HBL was one of the first companies to introduce IPS in early 2000's and to get RDSO approval for the product. Subsequently several other players have entered the market. Indian Railways goes by the L1 method for procurement, and there is no competitive advantage HBL has over other players in spite of better product / service.

- d. Both these products are closely related and therefore manufactured in the same factory at HBL. In Fy 23, PE and IPS together were only 5 % of HBL total sales. They were therefore not discussed in the BRIEF Notes section of the document dated 14 Feb 2023. These sales of Rs 67 crores, were part of the Rs 101 crores shown in the foot note to page 7/10 of the 14 February 2023 intimation to Stock Exchange.



## 2. RATIONALE BEHIND NEED TO RESTRUCTURE

The PE and IPS business requires very low capital investment to enter. Therefore it attracts entrepreneurial engineers to start as small scale industries. In IPS we see increased competition which will depress sales and profits.

In Electronics technology improvements are frequent. In order for any business to grow, it needs to keep upgrading the technology and adding new product lines. This requires good technical talent and entrepreneurial management, which HBL could not find.

HBL policy is to be #1 or #2 or at least #3 in all its businesses. In PE & IPS business, this is considered infeasible.

During FY 2019 to FY 2023, the combined sales of PE + IPS declined from Rs 107 crores to Rs 67 crores. In the assessment of HBL management, this trend cannot be reversed.

For all these reasons, HBL management concluded a year ago, that it may be better to spin out the businesses and co-invest with entrepreneurial managers who will be able to grow the business through new products and new technology .

Moebius Power Electronics Private Limited (MPE) was therefore, incorporated by HBL on July 15, 2022 with the objective of restructuring the PE+ IPS business. The initial subscribers and first Directors of the Company were Mrs. Kavita Prasad and Mr. MSS Srinath, representing HBL.

## 3. PROPOSAL DEFERRED

The present proposal with MOEBIUS was not accepted by the HBL Board. The Board asked for alternative proposals to address the problem. Hence the information to the Stock Exchange on 22 June 2023, relating to the proposed slump sale is withdrawn.

