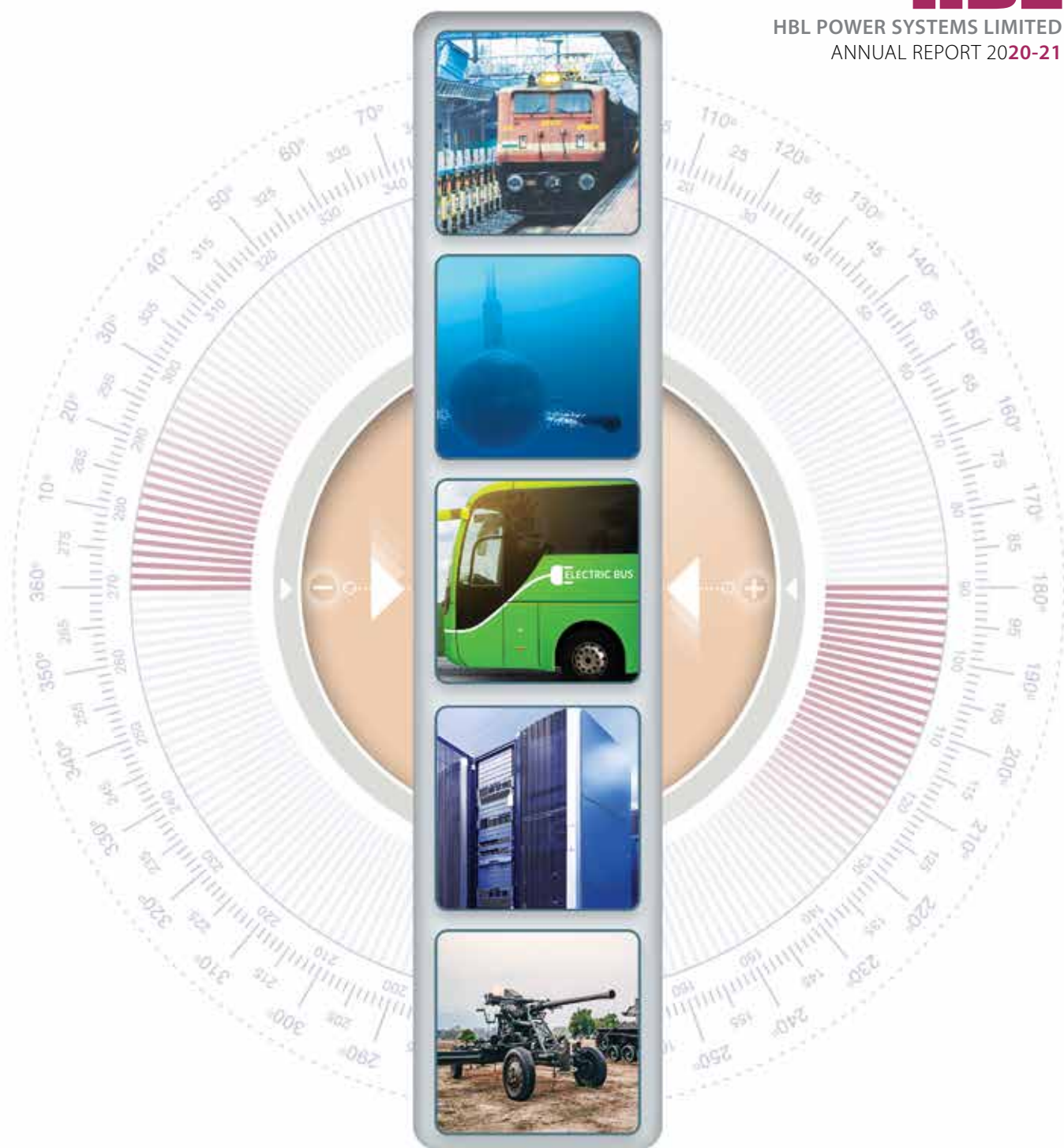


HBL[®]

HBL POWER SYSTEMS LIMITED

ANNUAL REPORT 2020-21



EMBRACING THE REALIGNMENT

Inside the document

About the Company	02
About the Business	04
Key Performance Indicators	06
Business Highlights	07
The Management Statement	08
Management Discussion & Analysis	12
Corporate Social Responsibility	24
Corporate Information	25
Notice	26
Directors' Report	37
Report on Corporate Governance	56
Standalone Financial Statements	71
Consolidated Financial Statements	135

The pandemic came in and disrupted
what was familiar.
It broke down the resistance against the
new.
It gave us the rare window of
opportunity to evaluate our realignment
strategy and reorient our journey.

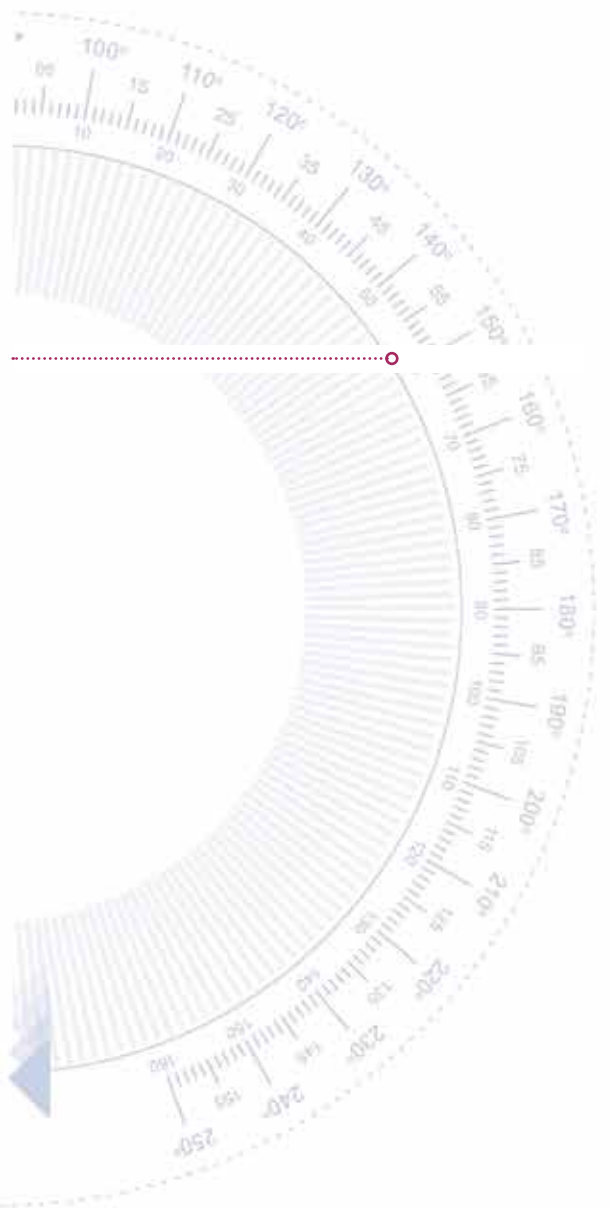
AND SO WE DID.

We removed all that was superfluous.
We rediscovered our core strengths and
made them stronger.
We refocused on new possibilities and
opportunities by looking at newer
avenues.
We initiated our organisation-wide
realignment strategy, with some
amount of caution.

In other words, we are embracing what
was inevitable, and making it our own.
Instead of stubbornly grasping at 'what
was', we are redirecting our energies
towards 'what could be'.

**WE ARE EMBRACING EVERY ASPECT
OF OUR REALIGNMENT.**

And readying our prospects for a
promising future.



ABOUT THE COMPANY

FOR INDIA. IN INDIA. BY INDIA.



Ardently following this ethos over four decades, HBL Power Systems Limited energises critical applications through its storage battery solutions. The Company's prowess in developing technology solutions has enabled it to create pioneering products and solutions for the Indian Railways and the Defence. **Headquartered in Hyderabad**, HBL's shares are listed on the BSE and the National Stock Exchange of India Ltd. (NSE)



5

Manufacturing facilities



80+

Global reach



1,600+

Team size

909

Revenue (₹ Crore)

72

EBITDA (₹ Crore)

13

Net Profit (₹ Crore)

925

Market Capitalisation (₹ Crore)




VISION

To organise India's engineering talent into a globally competitive business, whether in manufacturing or services. Our choice is to be in businesses with technological challenges/ engineering intensity.

VALUES

HBL



FAIRNESS TO ALL
Is being just, and aligning our thoughts and acts in best interest of all we interact with

HBL



INNOVATIVE SPIRIT
Is pro-actively visualising opportunities to improve what we do

HBL




CRAFTSMANSHIP
Is being passionate and proud about the quality of what we produce and deliver

HBL



ENTREPRENEURIAL OPPORTUNISM
Is identifying and converting gaps and challenges into business opportunities

HBL



DEVELOPMENT OF INDIVIDUALS
Is providing a learning and exploratory environment to build capabilities leading to personal growth in employees at all levels




HBL



HARMONIOUS CO-EXISTENCE
Is a responsibility to conserve and nurture environment and society

ABOUT THE BUSINESS

HBL possesses the following capabilities and services key business sectors such as Defence, Industry and Mobility.

HBL CAPABILITIES	BUSINESS SECTOR	 DEFENCE	 INDUSTRY	 MOBILITY
Batteries		Aircraft, Missiles, Torpedoes, Battle Tanks, Submarines	Nickel Cadmium & Lead Acid in various technologies	Lithium-ion (LFP, Pouch)
Electronics		Army communications equipment Artillery and other Fuses	Battery chargers Energy storage systems	Train Protection & Train Management Systems Motor & Vehicle controllers EV Charging systems
Motors		Torpedoes	Energy Saving Motors (IE4)	Switched Reluctance Motors
Build to Print manufacturing		Foreign Companies' Offset (local content) obligation	Bringing batteries developed abroad (Technology Readiness Level 5 to 9)	Long Term Evolution (LTE) Communication system

Our vertically integrated facilities



VIZIANAGARAM

Near Visakhapatnam, Andhra Pradesh
Product line: 2V/12V-AGM VRLA and Tubular Gel



SHAMIRPET




Hyderabad, Telangana
Product line: Ni-Cd and specialty batteries, and power electronics



NANDIGAON

Near Hyderabad, Telangana
Product line: PLT and submarine batteries

The Company has organized its business as three major verticals - Batteries, Electronics and Defence

 BATTERIES	 RAILWAY ELECTRONICS	 DEFENCE
Distinctiveness		
Only Indian company to offer high-powered Pure Lead Thin Plate (PLT) battery	Pioneered the Train Collision Avoidance System (TCAS) for Indian Railways	Large supplier of batteries for various defence applications
World's second-largest manufacturer of Nickel-Cadmium (NCP) batteries with Pocket Plate, Sintered Plate, and Fibre Plate technologies	Developed Train Management System (TMS) for the Indian Railways - a first-time effort by an Indian private sector enterprise	Absorbed Lithium ion technology for defence applications
Revenue contribution*		
76%	11%	11%

*Revenue from other verticals - 2%



THUMKUNTA
Hyderabad, Telangana
Product line: Electronics



VISAKHAPATNAM (SEZ)
Andhra Pradesh
Product line: Ni-Cd batteries



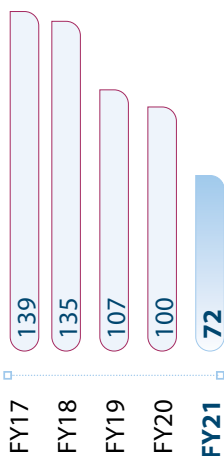
YAPRAL (Development Centre)
Hyderabad, Telangana
Activities: Product development initiatives

KEY PERFORMANCE INDICATORS

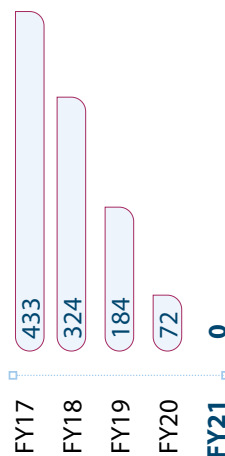
REVENUES
(₹ Crore)



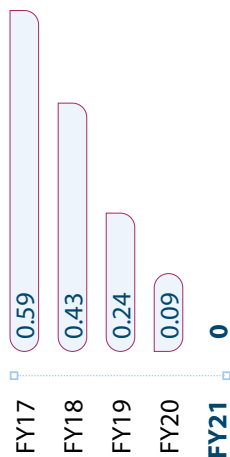
EBITDA
(₹ Crore)



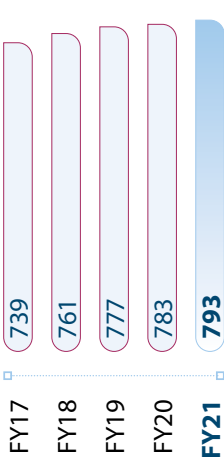
Net Debt
(₹ Crore)



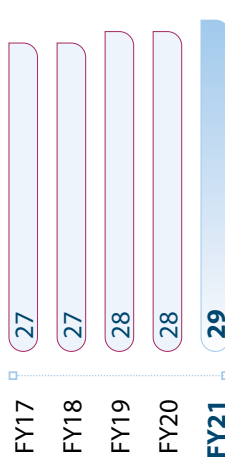
Debt-equity
(x)



Networth
(₹ Crore)



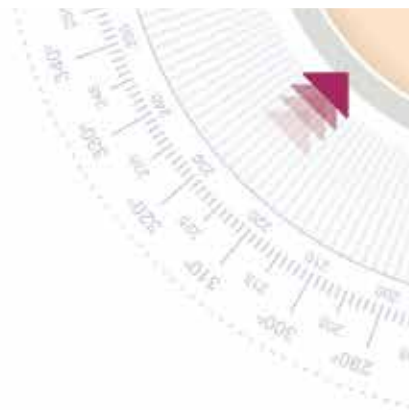
Book value
(₹)



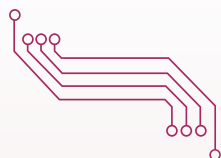
0.47
Earnings per share (₹)

111
Net Cash from Operations (₹ Crore)

8%
EBITDA Margin



BUSINESS HIGHLIGHTS



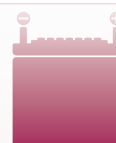
Electronics

- Obtained Research Design and Standards Organisation (RDSO) approval for TCAS to be deployed in auto-signalling sections of Indian Railways network. TCAS, together with auto-signalling, will enhance traffic throughput on the existing rail infrastructure
- Signed an MoU with Ericsson for deployment of Long Term Evolution (LTE) communication system for Indian Railways. The Indian Railways has announced an allocation of LTE spectrum for use with TCAS



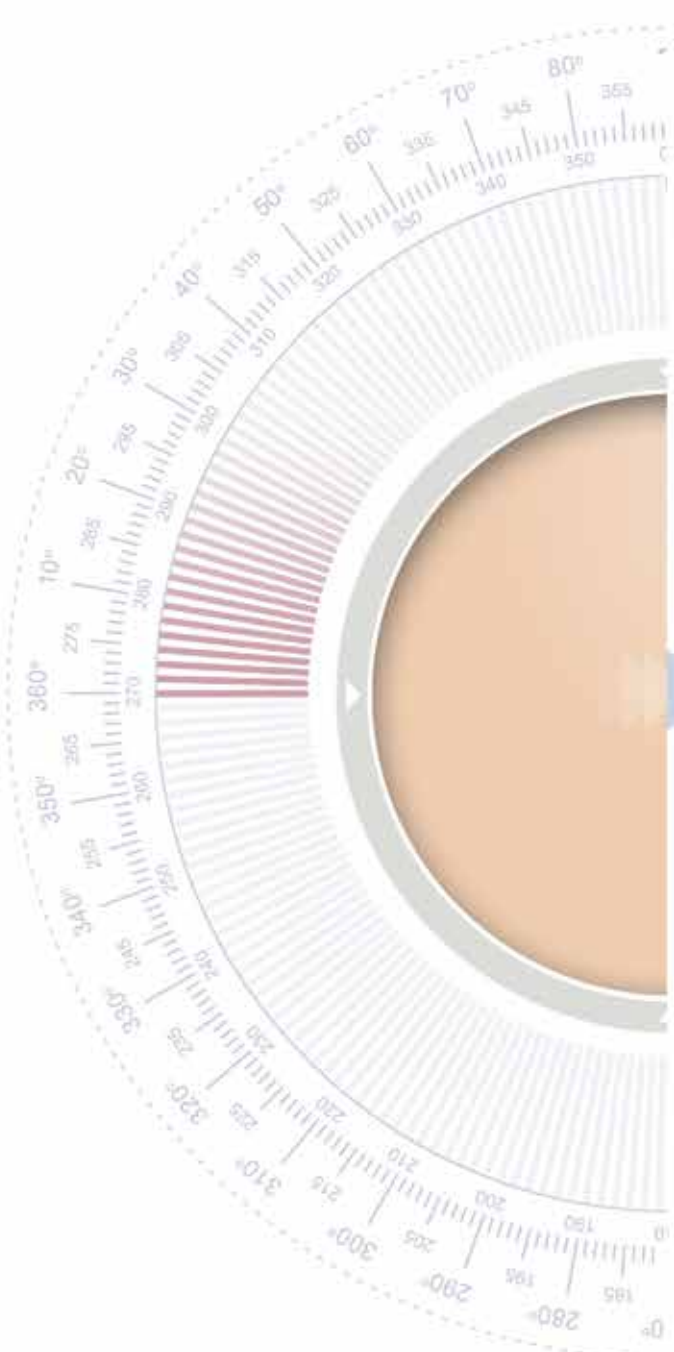
Defence

- Commenced manufacture and supply of Type I batteries for Kilo class submarine and Varunasthra torpedo batteries to Indian Navy
- Absorbed technology from NSTL (Naval Science and Technology Laboratory) for manufacture and supply of Lithium-ion batteries for defence applications



Batteries

- Secured product approval from the Indian Army for PLT batteries for use in defence vehicles. Delivered the first batch of battery for use in vehicles that run in sub-zero temperature in Leh-Ladakh
- Enhanced export volume of PLT batteries for battle tank cranking application
- Bagged a large NCPP order from BHEL for a solar project in Nigeria; increased share of business with the Indian Railways for NCPP batteries



FINANCIAL YEAR 2020-21 WAS AN IMPORTANT MILESTONE. OUR DECADE-LONG EFFORTS IN DEVELOPING **DEFENCE BATTERIES & RAILWAY ELECTRONIC SOLUTIONS** STARTED YIELDING HEARTENING RETURNS. MOREOVER, THEY PROMISE BETTER OPPORTUNITIES OVER THE MEDIUM-TERM.

DEAR SHAREHOLDERS,

We hope you are safe and healthy.

For our lifestyle and the business environment as we knew it, has completely changed with the sudden spread of the pandemic across the globe.

THE lockdown imposed in India to contain the contagion took a substantial toll on commercial activity across the spectrum. Experts suggested that if you survive this year, that is a profit in itself.

HBL was also impacted by this national health emergency, but survived and reported a profit.

As we stepped into FY21, our first priority was people safety. We institutionalised detailed SOPs aligned to Government-suggested protocols for the safety of our people. Sanitisation, distanced operations, health check-up and employee support continued right through the year.

With business operations curtailed to 10 months in the fiscal, revenue dipped by about 16% from ₹ 1,077