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Board of Directors	Dr. A J Prasad Mr. M S S Srinath Mrs. Kavita Prasad Mr. P Ganapathi Rao Mr. V V Rao Mrs. Preeti Khandelwal Mr. Vivek Mundra	Chairman & Managing Director (IDBI Nominee Director)
Audit Committee	Mr. P Ganapathi Rao Mrs. Kavita Prasad Mr. V V Rao Mrs. Preeti Khandelwal	Chairman of the Committee
Company Secretary	Mr. D Mabu Basha	
Registered Office	8-2-601, Road # 10 Banjara Hills Hyderabad - 500 034	
Auditors	M/s Satyanarayana & Co. Chartered Accountants Amar Mansion, Ranigunj Secunderabad-500003	
Cost Auditors	M/s Narasimha Murthy & Co. Cost Accountants, Hyderabad	
Bankers	State Bank of India State Bank of Hyderabad IDBI Bank Ltd. State Bank of Indore Axis Bank Ltd.	

NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of **HBL POWER SYSTEMS LIMITED** will be held at KLN Prasad Auditorium, Federation of Andhra Pradesh Chambers of Commerce and Industry, 11-6-841, Red Hills, Hyderabad - 500 004 on Monday, the 27th day of September, 2010 at 4.00 p.m., to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at 31st March 2010 and the Profit and Loss Account for the year ended on 31st March 2010, together with the Director's Report and the Auditors' Report thereon.
2. To declare Dividend for the year ended 31st March 2010.
3. To appoint a Director in place of Mr. P Ganapathi Rao, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors for the year 2010-11 till the conclusion of the next Annual General Meeting and to authorize the Board to fix their remuneration. M/s. Satyanarayana & Co., Chartered Accountants, the retiring auditors are eligible for re-appointment.

SPECIAL BUSINESS:

TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION THE FOLLOWING RESOLUTIONS AS ORDINARY RESOLUTIONS:

5. To Appoint Mr. Vivek Mundra as a Director of the Company:

"RESOLVED THAT pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the company Mr. Vivek Mundra, who was appointed as an Additional Director at the meeting of the Board of Directors of the company and who holds office upto the date of ensuing Annual General Meeting, be and is hereby appointed as Director of the company, he shall be liable to retire by rotation"

6. To Re-Appoint Dr. A J Prasad as Chairman and Managing Director of the Company:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and subject to Members approval at this Annual General Meeting of the Company and other approval as may be necessary Dr. A J Prasad be and hereby appointed as Chairman & Managing Director of the Company for a period of 5 years, with effect from 1st October, 2010 to 30th September 2015 on the following remuneration, terms and conditions as detailed below:

I. Basic Salary : Rs.24,00,000 per annum.

Period : 1st October, 2010 to 30th September, 2015

Commission: Subject to the overall limits laid down in Section 198 and 309 of the Companies Act, 1956, 3% Commission to be paid as percentage of the Profit of the Company for the year.

II Perquisites:

- a) House Rent Allowance or Provision of House Accommodation subject to a maximum monthly rent at 60% of basic salary, over and above 10% payable by the Managing Director.

The Expenditure incurred by the Company on gas, electricity, water and furnishings will be valued as per the Income Tax Rules, 1962. This shall however subject to ceiling of 10% of the salary.

- b) Leave Travel Allowance: Actual Traveling Expenses incurred for self and dependents, not exceeding one-month basic salary for every year of service.
- c) Medical Reimbursement: Membership or the Subscription paid to any hospital and /or doctors schemes or and insurance company in India and all hospital and medical expenses incurred for self and family subject to ceiling of one month's salary in a year.

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- d) Club Fees: Fees of clubs subject to maximum of two clubs, excluding admission and the life membership fees.
 - e) Personal Accident Insurance: Actual Premium borne by the company.
 - f) Company's Contribution to Provident and Superannuation fund to the extent of these either singly or put together are not taxable under the Income Tax Act. Gratuity payable shall not exceed half month's salary for each completed year of service.
 - g) Encashment of Leave at the end of the tenure will not be included in the computation of perquisites.
 - h) The Company shall provide a car with driver and telephone facility at the residence of the Managing Director. Provision of a car with driver for use on company's business and telephone facility at the residence will not be considered as perquisites.
 - i) Notwithstanding any thing mentioned above, wherein any financial year during the currency of tenure of the Managing Director, the company has no profit or its profit are inadequate it may pay the Managing Director remuneration by way of salary and perquisites not exceeding the limits specified above as minimum remuneration under Section II of Part II of Schedule XIII of the Companies Act, 1956.
- III. The Appointment is subject to determination by giving three months notice by either party and other rules and regulation of the Company."
7. **To Appoint Mr. M S S Srinath as Whole Time Director of the Company:**
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and subject to Members approval at this Annual General Meeting of the Company and other approval as may be necessary Mr. M S S Srinath be and is hereby appointed as Whole Time Director of the Company for a period of 5 years, with effect from 1st September, 2010 to 31st August, 2015 on the following remuneration, terms and conditions as detailed below:
 - I. Basic Salary : Rs.12,00,000/- per annum.
CCA : Rs. 12,000/- per annum
 - II. Perquisites :
 - a. House Rent Allowance or Provision of House Accommodation subject to maximum monthly rent at 40% of the basic salary.
 - b. Salary of a Driver appointed by the appointee for engaging on official duties will be reimbursed by the Company.
 - c. Leave Travel Allowance: Actual traveling expenses incurred for self and dependents, not exceeding one month's basic salary for every year of Service.
 - d. Reimbursement of Medical Expenses incurred by self and dependents not exceeding Rs.15,000/- for every year of service.
 - e. Annual Leave with Salary as per the rules of the Company.
 - f. Company's contribution to Provident Fund and Gratuity as per the rules of the Company.
 - g. Provision of a car for the use of Company's business and telephone at residence will not be considered as perquisites.
 - h. Notwithstanding any thing mentioned above, wherein any financial year during the currency of tenure of the Whole Time Director, the company has no profit or its profit are inadequate it may pay the Whole Time Director remuneration by way of salary and perquisites not exceeding the limits specified above as minimum remuneration under Section II of Part II of Schedule XIII of the Companies Act, 1956.
 - III. The Appointment is subject to determination by giving three months notice by either party and other rules & regulations of the Company."

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8. To Appoint Mrs. Kavita Prasad as Whole Time Director of the Company:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 311 and other applicable provisions, if any, read with Schedule XIII of the Companies Act, 1956 and subject to Members approval at this Annual General Meeting of the Company and other approval as may be necessary Mrs. Kavita Prasad be and is hereby appointed as Whole Time Director of the Company for a period of 5 years, with effect from 1st September, 2010 to 31st August 2015 on the following remuneration, terms and condition as detailed below:

- I. Basic Salary : Rs.12,00,000/- per annum.
CCA : Rs. 12,000/- per annum
- II. Perquisites :
 - a. House Rent Allowance or Provision of House Accommodation subject to maximum monthly rent at 40% of the basic salary.
 - b. Salary of a Driver appointed by the appointee for engaging on official duties will be reimbursed by the Company.
 - c. Leave Travel Allowance: Actual traveling expenses incurred for self and dependents, not exceeding one month's basic salary for every year of Service.
 - d. Reimbursement of Medical Expenses incurred by self and dependents not exceeding Rs.15,000/- for every year of service.
 - e. Annual Leave with Salary as per the rules of the Company.
 - f. Company's contribution to Provident Fund and Gratuity as per the rules of the Company.
 - g. Provision of a car for the use of Company's business and telephone at residence will not be considered as perquisites.
 - h. Notwithstanding any thing mentioned above, wherein any financial year during the currency of tenure of the Whole Time Director, the company has no profit or its profit are inadequate it may pay the Whole Time Director remuneration by way of salary and perquisites not exceeding the limits specified above as minimum remuneration under Section II of Part II of Schedule XIII of the Companies Act, 1956.

- III. The Appointment is subject to determination by giving three months notice by either party and other rules and regulations of the Company.”

For and on behalf of the Board

Place: Hyderabad

Date : August 09, 2010

D Mabu Basha

Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies, in order to be effective, should be completed, stamped and signed and must be deposited at the Registered Office or Investor Service Department of the Company not less than 48 hours before the commencement of the meeting.
3. The Explanatory Statement, as required by Section 173(2) of the Companies Act, 1956 in respect of item No. **5 to 8** set out above is annexed hereto.
4. The Register of Members and Share transfer books of the Company shall remain closed from **22nd September, 2010 to 27th September, 2010** (both days inclusive).
5. The dividend, if any, declared would be paid to those members whose names appear on the Register of Members of the Company as on **27th September, 2010**.
6. Members desirous of making nomination in respect of their shareholding may approach the Company for obtaining prescribed form and return the same duly filled in and signed for registration with the Company.
7. Members are requested to intimate immediately their change of address to the Company, quoting Registered Folio Number, Change in the address, if any, with the Pin Code Number.
8. Members attending the meeting are requested to bring with them the Attendance slip attached to the Annual Report duly filled in and signed and hand over the same at the entrance of the hall.

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EXPLANATORY STATEMENT

(Pursuant to Section 173(2) of the Companies Act, 1956)

Item No. 5:

The Board of Directors of the company at their meeting held on 29th May, 2010 appointed Mr. Vivek Mundra as an Additional Director (Independent) in place of Mr. M S Ramakrishna. Mr. Vivek Mundra, is a Founder Director of Jet Age Securities Pvt. Ltd., which is a member of the Bombay Stock Exchange Ltd. and National Stock Exchange of India Ltd. He is an expert in capital markets and portfolio management and your board felt the need of his services to the Company. Now it is proposed to regularize his appointment as Director of the Company.

Your Directors recommend the resolution for the approval of the Shareholders as an Ordinary Resolution.

None of the Directors are interested in this resolution except Mr. Vivek Mundra .

Item No. 6:

Dr A J Prasad is a Technocrat Entrepreneur and also a Founder-Promoter of the company, who holds (along with his relatives and associate company) more than 70% of the share capital. As the Managing Director, he has no other business interests.

Dr. A J Prasad was appointed as Chairman and Managing Director at the 22nd Annual General Meeting held on 4th September, 2008 and his term expires on 30th September, 2010.

Remuneration committee at its meeting held on 9th August, 2010 has reviewed the Remuneration, terms and conditions of appointment and the Board of Directors at their meeting held on 9th August, 2010 has approved

the re-appointment of Dr. A J Prasad as Chairman and Managing Director for a period of five years from 1.10.2010 to 30.09.2015 subject to members approval. The particulars of remuneration as setout in the resolution and the terms of appointment are in pursuance to the Schedule-XIII of the Companies Act, 1956. He shall not be liable to determination by retirement of Directors by rotation as per the provisions of Section 255 of the Companies Act, 1956.

Your Directors recommend the resolution for the approval of the Shareholders as an Ordinary Resolution.

None of the Directors other than Dr. A J Prasad, Mr. M S Srinath and Mrs. Kavita Prasad are interested in this resolution.

Item No.7:

Mr. M S S Srinath was appointed as Executive President of the Company under section 314(1-B) of the Act, for a period of 5 years upto 30th September, 2012 at the Annual General Meeting held on 4th September, 2008, subject to approval of Central Government and accordingly obtained the Central Government approval.

Mr. Srinath has resigned as President with effect from 31.08.2010 and to utilize his expertise and services in the interest of the company, it is proposed to appoint him as whole time Director of the Company.

Accordingly the Remuneration Committee at its meeting held on 9th August, 2010 reviewed the Remuneration, terms and conditions of appointment and the Board of Directors at their meeting held on 9th August, 2010 has approved the appointment of Mr. M S S Srinath as whole time director for a period of five years from 1.09.2010 to

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31.08.2015 subject to members approval. The particulars of remuneration are set out in the resolution and the terms of appointment are in pursuance to the Schedule-XIII of the Companies Act, 1956. He shall not be liable to determination by retirement of Directors by rotation as per the provisions of Section 255 of the Companies Act, 1956.

Your Directors recommend the resolution for the approval of the Shareholders as an Ordinary Resolution.

None of the Directors other than Mr. M S S Srinath, Dr. A J Prasad, and Mrs. Kavita Prasad are interested in this resolution.

Item No. 8:

Mrs. Kavita Prasad was appointed as non-executive Director of the company. To utilize her expertise and services in a better manner it is proposed to appoint her as whole time director of the company.

Accordingly the Remuneration Committee at its meeting held on 9th August, 2010 has reviewed the Remuneration, terms and conditions of appointment and the Board of Directors at their meeting held on 9th August, 2010 has approved the appointment of Mrs. Kavita Prasad as whole time director for a period of five years from 1.09.2010 to 31.08.2015 subject to members approval. The particulars of remuneration are set out in the resolution and the terms of appointment are in pursuance to the Schedule-XIII of the Companies Act, 1956. She shall not be liable to determination by retirement of Directors by rotation as per the provisions of Section 255 of the Companies Act, 1956.

Your Directors recommend the resolution for the approval of the Shareholders as an Ordinary Resolution.

None of the Directors other than Mrs. Kavita Prasad, Dr. A J Prasad and Mr. M S S Srinath are interested in this resolution.

For and on behalf of the Board

Place: Hyderabad
Date : August 09, 2010

D Mabu Basha
Company Secretary

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BRIEF PARTICULARS OF DIRECTORS PROPOSED FOR APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

(In pursuant to clause 49 of the Listing Agreement)

Name of the Directors	Mr. Vivek Mundra	Mr. Ganapathi Rao	Dr. A J Prasad	Mr. M S Srinath	Mrs. Kavita Prasad
Date of Birth	14.09.1960	01.09.1955	03.11.1945	23.04.1969	11.12.1971
Date of first appointment	29.05.2010	25.04.2005	Founder- Promoter Since Inception	24.11.1997	11.05.2000
Qualification	MBA(IIMA)	FCA	B. Tech from IIT, Khargpur MS in Management from MIT USA Doctorate in International Business from Columbia University, USA	BA Hons(Economics)	B Com, PGDCA
Expertise in specific functional Area	Founder Director of Jet Age Securities Pvt. Ltd., which is a member of the Bombay Stock Exchange Ltd & the National Stock Exchange of India Ltd., primarily into Equity and Economic Research and empanelled with several domestic and foreign institutional investors.	Practicing Chartered Accountant and has expertise in Finance, Audit Systems and as well as Capital Market.	Overall management of the company with specific focus on product development and promotion of export sales.	Overall Marketing activities and other administrative affairs of the company.	Overall Financial activities and Specific focus on Export Marketing activities of the company.
Details of other Directorships	Jet Age Finance Pvt. Ltd. Neelkantha Steels Ltd. Avro Commercial Co. Ltd Jet Age Securities Pvt. Ltd. Narayani Marketing Pvt. Ltd. Semantic Space Technologies Ltd. Deccan Textile Pvt. Ltd.	NIL	Beaver Engineering Ltd	Beaver Engineering Ltd. Kairos Engineering Ltd. Naval Systems and Technologies Pvt. Ltd. HBL ELTA Avionics Systems Pvt. Ltd. HBL Electric Drives Pvt. Ltd. GSE (Vizag) Pvt. Ltd.	Beaver Engineering Ltd Kairos Engineering Ltd Naval Systems and Technologies Pvt. Ltd HBL ELTA Avionics Systems Pvt. Ltd HBL Electric Drives Pvt. Ltd. Sankhya Infotech Ltd.
Details of Committee and membership status	Member of Share Transfer Committee Chairman of the Remuneration Committee	Chairman of the Audit Committee	NIL	NIL	Chairperson -Share Transfer Committee; Member of Audit Committee.

DIRECTORS' REPORT

Dear Members,

Your Board of Directors take pleasure in presenting the Annual Report for the financial year ended on 31st March 2010. The financial performance is presented below.

(Rs. In Lakhs)

Sl. No.	Particulars	2009-10	2008-09
1	Net Sales	110951	124390
2	Other Income	654	509
3	Total Income	111606	124899
4	Total Expenditure	90569	104414
5	Profit before interest, depreciation and extra-ordinary items	21037	20485
6	Finance Cost	3831	3883
7	Depreciation	2807	2784
8	Extra-ordinary losses/non-recurring cost	0	136
9	Profit before tax	14399	13682
10	Provision for tax & tax adjustment	4117	4370
11	Deferred tax liability	240	216
12	Net Profit	10042	9096
13	Transfer to General Reserve	8000	8000
14	Earnings Per Share (Diluted EPS of Rupees)	4.06	3.75
15	Dividend	30%	30%

Performance Review 2009-10:

Overall Sales of the Company for the year 2009-10 were Rs. 1109.51 crores as compared to previous year sales of Rs. 1243.90 crores. This decrease is on account of a reduction of price levels in lead batteries (primarily telecom). The company passed on the reduction in the average cost of lead. This impact was reinforced by lower demand from the telecom sector due to macro economic factors. Profit after tax was Rs.100.42 crores for the year 2009-10 as compared to previous year of Rs. 90.96 crores and this improved performance is owing to reduction of raw material cost.

Expansion plans:

The Company's expansion plans for other lead acid battery markets is in progress and is expected to commence commercial operations during first quarter of next fiscal year.

Preferential Issue:

A. Issue details:

The Company made a preferential issue of 10,20,445 equity shares of Rs.10/- each at a issue price of Rs.340/- per share (inclusive of Rs 330/- per share as premium) during the year under Portfolio Investment Scheme to Foreign Institutional Investor i.e. Citigroup Global Markets Mauritius Private Limited and your Company utilizing the proceeds as per the objects of the issue.

B. Utilisation of proceeds of Preferential Issue:

The preferential issue was made to finance the General Corporate Investments in related companies and for other General Corporate purposes. The total Proceeds of preferential issue of capital including share premium was Rs 3469.51 lakhs

DIRECTORS' REPORT

Utilisation upto 31.03.2010:

S No	Particulars	Rs in Lakhs
1.	Investment in the Equity of M/s. Autotec Systems Ltd, Bangalore	300.34
2.	Advance for Investment in the Equity of M/s. SCIL Infracon (P) Ltd., Secunderabad	397.98
3.	Inter Corporate Loan to M/s. Biological E. Ltd., Hyderabad	500.00
4.	Funds temporarily parked in cash credit loans taken from Banks to reduce interest burden	2270.69
5.	Balance in Current Account with Banks	0.50
Total		3469.51

Sub-Division of Equity Shares:

During the year the company sub-divided its equity shares of Rs.10/- each into 10 shares of Re 1/- each with effect from 26.11.2010 (Record Date on 25.11.2010).

Dividends:

Your Directors are pleased to recommend a dividend of Rs.0.30/- per equity share of Re.1/- fully paid up share @30% (Previous Year 30%) for the Financial Year 2009-10, subject to the approval of the members at the ensuing Annual General Meeting. The proposed dividend including Corporate Dividend Tax will absorb Rs.885.06 lakhs.

Investment in Subsidiary/ Joint Venture Companies:

HBL (UK) Limited a wholly owned subsidiary in UK has been liquidated and wound up and the investment of Rs. 72.29 lakhs, Advance against investment of Rs.30.95 lakhs and other dues Rs.14.40 lakhs have been written off after obtaining necessary approvals from RBI. Exports are continuing through a value added reseller.

Bhagirath Energy Systems Private Ltd (BES) a wholly owned subsidiary in Nepal is in the process of winding up. Provision for diminution in the value of investment has been made based on Official Liquidators certificate of cash available as on 31.03.2005. No further provision is considered necessary, as there is no reduction in cash balance as on 31.03.2010.

HBL Power Systems (M) SDN BHD : A Joint Venture Company in Malaysia has reported a profit of Rs. 5.85 lakhs for the year and accumulated profit of Rs. 2.34 lakhs up to 31.03.2010. Further a sum of Rs. 16.24 lakhs remitted towards share capital is shown under loans and advances pending allotment of shares.

HBL ELTA Avionics Systems Pvt. Ltd - the company has invested Rs. 225 lakhs as joint venture partner, wherein the company hold 50% of the Equity. The Joint Venture Company is in operation.

Gulf Batteries Co. Ltd (Kingdom of Saudi Arabia):

During the year the company has invested Rs. 1424.51 lakhs as joint venture partner, wherein the company holds 40% of the Equity. The Joint Venture Company is expected to commence commercial production during current fiscal year. Both lead and nickel batteries will be produced for the local market.

Directors' Responsibility Statement:

In Compliance with the Provisions of Section 217(2AA) of the Companies Act, 1956, your Directors wish to place on record:

1. That in preparing the Annual Accounts, all applicable Accounting Standards have been followed;
2. That the Accounting Policies adopted are consistently followed and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the State of Affairs of the Company at the end of the Financial Year and the Profit and Loss Account of the Company for the Financial Year under review;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing /detecting fraud and other irregularities; and