

**16th ANNUAL REPORT
2000-2001**

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HONDA SIEL POWER PRODUCTS LIMITED

**HONDA PRESENTS
1000 WATTS
OF POWER AT THE
TURN OF A KEY**




HONDA SELF START EBK 1200S.
Your easiest guard against powercuts.

Now live easy life during powercuts - at the mere turn of a key. For the new Honda Keystart EBK 1200S is here. Equipped with an impressive capacity of 1000W it keeps running your essential household appliances like TV, fridge, room cooler, fans, bulbs and tubelights. Rest assured, then, Powercuts in your life have met an easy yet final end.

HONDA
POWER PRODUCTS

Also available: EBK 2000S Keystart / EBK 2000S Push Button Start

**Introducing
the Self Start Honda
EBK 2000S genset**




(A genset so convenient that even your child can start)

Now starting a genset is no longer a complicated task. Honda brings you the EBK2000S genset with the ultimate in convenience. Self start. All you have to do is turn the key and the genset comes to life. In fact, the specially designed key-start mechanism makes it so simple that even your little kid can start the genset.

HONDA
POWER PRODUCTS

* Specially designed Self Started Motor for instant start - Higher capacity 14 Ah battery for long life and frequent use - Start at a turn of a key - In-built charging system.
Complete 4 Stroke Range: 0.5 KVA to 5.5 KVA - Series models powerful enough to run heavy appliances like Hair Connectors, Geysers, Roast Pans, Airconditioners, etc.
- Self start option available - Low fuel consumption - Low maintenance - Non-stop unfluctuating power - smooth and silent operation - Environment friendly - Easy finance schemes

**Bring home the world class
Honda Lawn Mower.**



Give your garden a cut above the rest.


Using the latest technology, the Honda Lawn Mowers are built to maintain beautiful gardens. They come with world class features that facilitate easy mowing of your lawns:

- Fuel Efficient
- Easy Startup
- Easy Movement
- Easy Cutting
- Convenient Catcher
- Light & Portable


HONDA
POWER PRODUCTS

**Presenting
a range of
reliable
gensets from
HONDA**


Instant start Stable voltage. Continuous running




EBK 600
525VA* Kerosene. Rs. 18,100/-**




EM 650
550VA Petrol. Rs. 21,100/-




E 1000K
750VA Kerosene. Rs. 22,600/-




EBK 1200
1200VA Kerosene. Rs. 26,350/-




EBK 1200 S
1200VA Kerosene. Rs. 32,500/-




EBK 2000 S
1600VA Kerosene. Rs. 38,500/-




EBK 2000AC
1600VA Kerosene. Rs. 32,150/-




EB 2200
1900VA Petrol. Rs. 34,300/-



EBK 2800
2400VA Kerosene. Rs. 39,900/-



EBK 2800S
2400VA Kerosene. Rs. 46,400/-



EP 6500S
5500VA Petrol. Rs. 1,16,046/-

EASY FINANCE

HONDA
POWER PRODUCTS

Complete 4 stroke Range of 15 models: 0.5 KVA to 5.5 KVA - One 1 inch Honda Power products sold all over the world - Self start option available.
*Load factor consideration - Low maintenance.
**Newest unfluctuating power - Smooth and silent operation - Maximum of over 800 dealer service centres.
*All maximum outputs - 100% in India as on 1/5/2001
**Continuous supply.



BOARD OF DIRECTORS

Mr Siddharth Shriram	— Chairman
Mr Mantosh Sondhi	
Mr D V Kapur	
Mr O P Khaitan	
Mr T Fujisaki	
Mr H Takiguchi	
Mr T Kamo	
Mr Y Nakano	— President & CEO
Mr R S Bidesi	— Whole-time Director
Mr T Sodeyama	— Whole-time Director

COMPANY SECRETARY

Mr Anil Rustgi

AUDITORS

A. F. Ferguson & Co.
Chartered Accountants,
New Delhi

BANKERS

The Bank of Tokyo-Mitsubishi Ltd.
Allahabad Bank

TECHNICAL AND FINANCIAL COLLABORATORS

Honda Motor Co., Ltd.
1-1, 2 Chome,
Minami-aoyama, Minato-Ku,
Tokyo, Japan

REGISTERED OFFICE

5th Floor,
Kirti Mahal,
19, Rajendra Place,
New Delhi - 110 008

WORKS

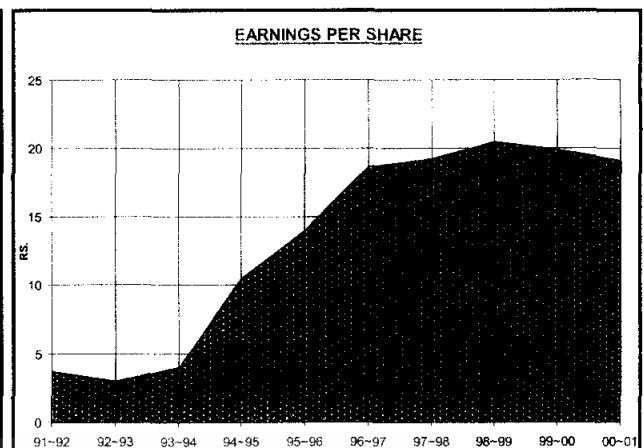
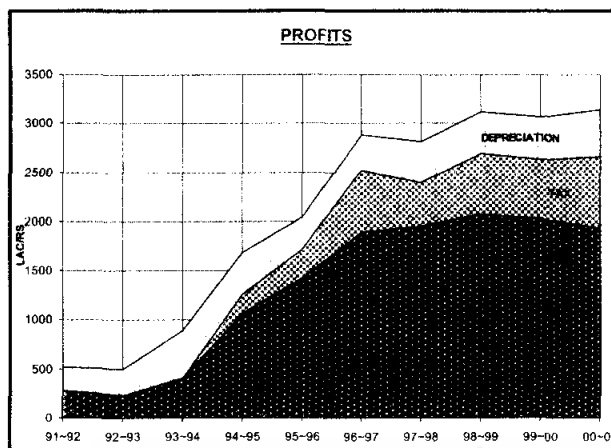
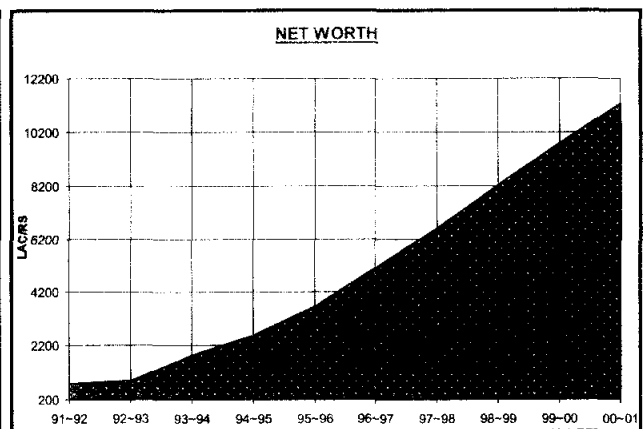
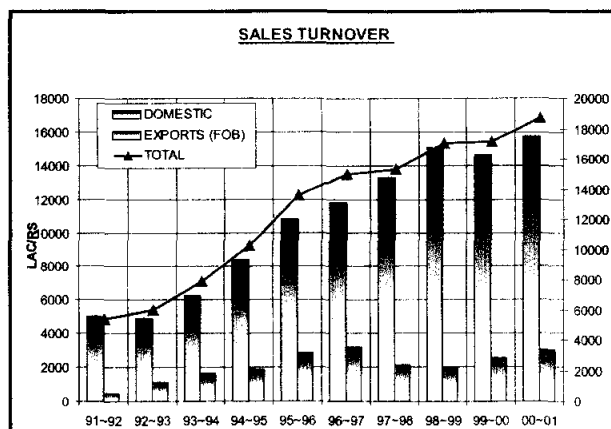
Village & Post Office Bhigwara,
Via Kichha, Rudrapur
Distt. Udham Singh Nagar
Uttaranchal

Plot No. B-16 & B-30,
PIPDIC Industrial Estate,
Sedarapet,
Pondicherry

Plot No. 5, Sector-41 (Kasna)
Greater Noida Industrial Development Area,
Distt. Gautam Budh Nagar, U.P.

REGISTRAR & SHARE TRANSFER AGENT

Mas Services Private Ltd.
AB-4, Safdarjung Enclave,
New Delhi-110 029



TEN YEAR FINANCIAL SUMMARY

PARTICULARS	UNIT	YEAR									
		91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01
SALES QTY	NOS	42882	45546	56131	68159	82209	85756	82440	91603	94257	102420
SALES	LAC/RS.	5469	6053	7910	10301	13641	14995	15367	17021	17176	18743
PROFIT BEFORE DEPRECIATION & TAX	LAC/RS.	518	500	893	1683	2036	2880	2806	3111	3065	3132
PROFIT BEFORE TAX	LAC/RS.	277	226	405	1259	1713	2519	2396	2690	2629	2654
PROFIT AFTER TAX	LAC/RS.	277	226	405	1064	1418	1889	1946	2070	2014	1929
GROSS FIXED ASSETS @	LAC/RS.	3323	3481	3580	4116	4507	4959	6331	7019	7511	8756
NET FIXED ASSETS @	LAC/RS.	2611	2495	2106	2218	2291	2396	3368	3648	3733	4518
NET CURRENT ASSETS	LAC/RS.	1184	1208	1429	1647	2267	3382	4240	5354	4092	5168
NET WORTH	LAC/RS.	788	910	1824	2587	3654	5099	6602	8222	9786	11268
EARNINGS PER SHARE	RS.	3.70	3.01	3.99	10.49	13.98	18.62	19.18	20.41	19.86	19.02
DIVIDEND	%	-	15	20	30	35	40	40	40	40	40
BOOK VALUE PER SHARE	RS.	10.51	12.13	17.98	25.51	36.02	50.27	65.09	81.06	96.48	111.09

NOTE : @ INCLUDES CAPITAL WORK - IN - PROGRESS



NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the members of HONDA SIEL POWER PRODUCTS LIMITED will be held as scheduled below :

Day : Friday
Date : 21.09.2001
Time : 11.00 A.M.
Place : FICCI Auditorium, Tansen Marg,
 New Delhi – 110 001.

to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2001 and the Profit and Loss Account of the Company for the year ended on that date and the Report of Board of Directors and Auditors thereon.
2. To declare Dividend on equity shares.
3. To appoint a Director in place of Mr T Fujisaki who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr T Kamo who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to provisions of Sections 198, 269, 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 or any amendment or modifications thereof and further subject to the approval of the Financial Institution, the consent of the shareholders of the Company be and is hereby accorded to the re-appointment and remuneration of Mr Y Nakano as the President & CEO of the Company for a period of five year w.e.f. 1st April 2001 on the following terms and conditions :

BASIC SALARY : Rs. 60,000 (Rupees sixty thousand) per month.

PERQUISITES

RESIDENTIAL ACCOMMODATION : The expenditure on leasing unfurnished accommodation shall not exceed Rs. 1,30,000 (Rupees One Lac Thirty Thousand) per month.

Provision of furnishing as per Company Rules.

ELECTRICITY/WATER/GAS : Upto Rs. 10,000 (Rupees Ten Thousand) per month.

MEDICAL REIMBURSEMENT : One month's basic salary in a year or 3 months basic salary in a block of three years.



LEAVE TRAVEL CONCESSION	:	For self and family once in a year for any destination in India. In case it is proposed that leave be spent in home country, return passage may be allowed for self and family in accordance with rules specified by the Company.
HEALTH INSPECTION/ MEDICAL CHECK UP	:	Cost of Air Tickets for travel to Japan for health inspection/medical check up once in a year.
MEMBERSHIP FEE FOR JAPANESE ASSOCIATION	:	Rs. 500/- (Rupees five hundred) per month.
CLUB FEE	:	Admission fee, monthly and annual charges, subject to maximum of two clubs including Golf Club.
PERSONAL ACCIDENT INSURANCE	:	Premium not to exceed Rs. 1200/- (Rupees one thousand two hundred) per annum.
INSURANCE OF HOUSEHOLD GOODS	:	Premium not to exceed Rs. 6000/- (Rupees six thousand) per annum.
MEDICAL INSURANCE	:	Premium not to exceed Rs. 6000/- (Rupees six thousand) per annum.
CHILDREN'S EDUCATION ALLOWANCE	:	In case of children studying in or outside India, an allowance limited to a maximum of Rs. 10,000/- (Rupees ten thousand) per month per child or actual expenses incurred, whichever is less, is admissible. Such allowance is admissible upto a maximum of two children.
HOLIDAY PASSAGE FOR CHILDREN STUDYING OUTSIDE INDIA/ FAMILY STAYING ABROAD	:	Return holiday passage is admissible once in a year by air by economy class to children from their place of study abroad to India and to the members of the family from the place of their stay abroad to India, if they are not residing in India with the Director.
REIMBURSEMENT OF EXPENSES INCURRED ON JOINING DUTY AND RETURNING TO HOME COUNTRY AFTER COMPLETION OF TENURE	:	Actual expenses incurred on travel and on packing, forwarding, loading/unloading as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses in connection with the moving of personal effects for self and family for joining duty in India, in case these have not been claimed from the previous employer. After completion of the tenure, such expenses would be reimbursed if the Director leaves for the home country.
PROVIDENT FUND	:	Contribution to the Provident Fund as per Rules of the Company.
GRATUITY	:	As per Rules of the Company.
CAR	:	Facility of car with driver.
TELEPHONE	:	Telephone facilities at residence. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Director.
LEAVE	:	As per Company Rules. Encashment of leave accumulated but not availed of will be governed as per Rules of the Company.



ALLOWANCE FOR MISCELLANEOUS EXPENSES : Rs. 60,000 (Rupees sixty thousand) per month to cover entertainment, servants, security, secretarial service, etc. at residence.

"Family" means the spouse, dependent children and dependant parents of the appointee.

Resolved further that the Board of Directors be and is hereby authorised to alter and vary from time to time during the current tenure of appointment of Mr Y Nakano, the terms and conditions and/or remuneration in such manner as in the best interest of the Company in accordance with the laws from time to time in force and acceptable to Mr Y Nakano provided that remuneration after such alteration shall not exceed the limits prescribed under Schedule XIII of the Companies Act, 1956.

RESOLVED further that the remuneration as aforesaid, shall be paid as minimum remuneration for any year in the case of absence or inadequacy of profits for such year".

7. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"It was RESOLVED that pursuant to Sections 198, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof and further subject to the approval of the Central Government and of the Financial Institution, Mr T Sodeyama, Whole-Time Director of the Company be paid remuneration by way of salary, perquisites and other allowances w.e.f 1st April 2001 for the remaining tenure of his appointment as under :

BASIC SALARY : Rs. 55,000 (Rupees fifty five thousand) per month.

PERQUISITES

RESIDENTIAL ACCOMMODATION

- The expenditure by the Company on hiring unfurnished accommodation will be subject to a ceiling of 60 per cent of the basic salary.
- Free furnished accommodation in case the accommodation is owned by the Company.
- In case no accommodation is provided by the Company, entitlement to house rent allowance subject to the ceiling laid down in (a) above.

The expenditure incurred by the Company on gas, electricity & water will be valued as per Income Tax Rules, 1962, subject to a ceiling of 10% of basic salary.

FURNISHING : Provision of furnishing as per Company Rules.

MEDICAL REIMBURSEMENT : One month's basic salary in a year or 3 months basic salary in a block of three years.

LEAVE TRAVEL CONCESSION : For self and family once in a year for any destination in India. In case it is proposed that leave be spent in home country, return passage may be allowed for self and family in accordance with rules specified by the Company.

HEALTH INSPECTION/ MEDICAL CHECK UP : Cost of Air Tickets for travel to Japan for health inspection/medical check up once in a year.

MEMBERSHIP FEE FOR JAPANESE ASSOCIATION : Rs. 500/- (Rupees five hundred) per month.



CLUB FEE	:	Admission fee, monthly and annual charges, subject to maximum of two clubs.
PERSONAL ACCIDENT INSURANCE	:	Premium not to exceed Rs. 1200/- (Rupees one thousand two hundred) per annum.
INSURANCE OF HOUSEHOLD GOODS	:	Premium not to exceed Rs. 6000/- (Rupees six thousand) per annum.
MEDICAL INSURANCE	:	Premium not to exceed Rs. 6000/- (Rupees six thousand) per annum.
CHILDREN'S EDUCATION ALLOWANCE	:	In case of children studying in or outside India, an allowance limited to a maximum of Rs. 10,000/- (Rupees ten thousand) per month per child or actual expenses incurred, whichever is less, is admissible. Such allowance is admissible upto a maximum of two children.
HOLIDAY PASSAGE FOR CHILDREN STUDYING OUTSIDE INDIA/ FAMILY STAYING ABROAD	:	Return holiday passage is admissible once in a year by air by economy class to children from their place of study abroad to India and to the members of the family from the place of their stay abroad to India, if they are not residing in India with the Director.
REIMBURSEMENT OF EXPENSES INCURRED ON JOINING DUTY AND RETURNING TO HOME COUNTRY AFTER COMPLETION OF TENURE	:	Actual expenses incurred on travel and on packing, forwarding, loading/unloading as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses in connection with the moving of personal effects for self and family for joining duty in India, in case these have not been claimed from the previous employer. After completion of the tenure, such expenses would be reimbursed if the Director leaves for the home country.
GRATUITY	:	As per Rules of the Company.
CAR	:	Facility of car with driver.
TELEPHONE	:	Telephone facilities at residence.
LEAVE	:	Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Director. As per Company Rules.
ALLOWANCE FOR MISCELLANEOUS EXPENSES	:	Encashment of leave accumulated but not availed of will be governed as per Rules of the Company. Rs. 50,000 (Rupees Fifty thousand) per month to cover entertainment, servants, security, secretarial service, etc. at residence.

"Family" means the spouse, dependent children and dependant parents of the appointee.

Resolved further that the Board of Directors be and is hereby authorised to alter and vary from time to time during the current tenure of appointment of Mr T Sodeyama the terms and conditions and/or remuneration in such manner as in the best interest of the Company in accordance with the laws from time to time in force and acceptable to Mr T Sodeyama provided that remuneration after such alteration shall not exceed the limits prescribed under Schedule XIII of the Companies Act, 1956.

RESOLVED further that the remuneration as aforesaid, shall be paid as minimum remuneration for any year in the case



of absence or inadequacy of profits for such year".

8. To consider and if thought fit, to pass the following resolution, with or without modification(s) as an Ordinary Resolution:

"It was RESOLVED that pursuant to Sections 198, 310, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof and further subject to the approval of the Financial Institution, Mr R S Bidesi, Whole-Time Director of the Company be paid remuneration by way of salary, perquisites and other allowances w.e.f 1st April 2001 for the remaining tenure of his appointment as under :

BASIC SALARY : Rs. 55,000 (Rupees fifty five thousand) per month.

PERQUISITES

- HOUSING
- a) The expenditure by the Company on hiring unfurnished accommodation will be subject to a ceiling of 60 percent of the basic salary.
 - b) Free furnished accommodation in case the accommodation is owned by the Company.
 - c) In case no accommodation is provided by the Company, entitlement to house rent allowance subject to the ceiling laid down in (a) above.

Provision of furnishing as per Company Rules.

ELECTRICITY / WATER / GAS : Upto Rs. 5,000 (Rupees Five Thousand) per month.

MEDICAL REIMBURSEMENT : Expenses actually incurred for self and family subject to a ceiling of one month's basic salary in a year or 3 months basic salary in a block of three years.

CLUB FEE : Admission fee, monthly and annual charges, subject to maximum of two clubs.

PERSONAL ACCIDENT INSURANCE : Premium not to exceed Rs. 1200/- (Rupees one thousand two hundred) per annum.

MEDICAL INSURANCE : Premium not to exceed Rs. 6000/- (Rupees six thousand) per annum

CHILDREN'S EDUCATION ALLOWANCE : Rs. 10,000/- (Rupees Ten thousand) per month per child upto a maximum of two children.

SPECIAL ALLOWANCE : Rs. 60,000/- (Rupees Sixty thousand) per month.

CAR : Facility of car with driver.

TELEPHONE : Telephone facilities at residence.

Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to the Whole-Time Director.



INTEREST SUBSIDY ON HOUSING LOAN	:	As per Company Rules
PROVIDENT FUND	:	As per Company Rules
SUPERANNUATION FUND	:	As per Company Rules
GRATUITY	:	As per Company Rules
LEAVE TRAVEL CONCESSION	:	For self and family once in a year for any destination in India upto a maximum of Rs. 1,50,000/- (Rupees One Lac fifty thousand) Per annum.
LEAVE	:	As per Company Rules.
INSURANCE OF HOUSEHOLD GOODS	:	Premium not to exceed Rs. 6,000 /- (Rupees Six Thousand) per annum.

"Family" means the spouse, dependent children and dependant parents of the appointee.

Resolved further that the Board of Directors be and is hereby authorised to alter and vary from time to time during the current tenure of appointment of Mr R S Bidesi, the terms and conditions and/or remuneration in such manner as in the best interest of the Company in accordance with the laws from time to time in force and acceptable to Mr R S Bidesi provided that remuneration after such alteration shall not exceed the limits prescribed under Schedule XIII of the Companies Act, 1956.

RESOLVED further that the remuneration as aforesaid, shall be paid as minimum remuneration for any year in the case of absence or inadequacy of profits for such year".

By order of the Board
For Honda Siel Power Products Limited

NEW DELHI
July 27, 2001

ANIL RUSTGI
COMPANY SECRETARY

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