

17th
Annual Report
2001-2002



HONDA
POWER PRODUCTS

HONDA SIEL POWER PRODUCTS LIMITED



Why put up with frequent
powercuts till summer?
Buy

**INDIA'S
No.1
GENSET TODAY!**

Conditions apply. ** Maximum Output



EBK 600 Kerosene
525VA**

A Honda genset is your best way out of the unending power cuts.
So wait no more, arm yourself with one today!

• Trusted by over 5 million users • 16 models to choose from
• In capacities from 0.5 KVA to 5.5 KVA • Convenient Key start
and AMF (auto start) options available • Advanced 4-stroke
technology • Network of over 700 dealer service outlets



HONDA
POWER PRODUCTS

E.A.S.Y.
FINANCE
EMI as low
as Rs. 838*



Presenting
a range of
reliable
gensets from
HONDA

Instant start. Stable
voltage. Continuous
running.



EBK 400
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 AC
1600VA* Kerosene. Rs. 32,150/-**



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



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



EBK 2800
2400VA* Kerosene. Rs. 39,500/-**



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



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

E.A.S.Y.
FINANCE

HONDA
POWER PRODUCTS

Complete 4 stroke Range 0.5 KVA to 5.5 KVA. • Over 8
lakh Honda Power products sold all over the world.
• Self start option available. • Less fuel consumption.
• Low maintenance. • Non-stop unfluctuating power.
• Smooth and silent operation. • Network of over
700 dealer service outlets.
*All maximum outputs ** MPR in Delhi as on 31/7/2002
***Condition apply.

**Give
your garden
a cut above
the rest.**

HONDA
The Power of Dreams

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

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

Introducing

Honda Engine Powered Wuli Sprayer

For different crops, fruits & vegetables



Suitable For Spraying In The Below Shown Crops & Many More



HONDA
POWER PRODUCTS



BOARD OF DIRECTORS

Mr Siddharth Shriram	- Chairman
Mr Mantosh Sondhi	
Mr D V Kapur	
Mr O P Khaitan	
Mr H Yamada	
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 - 110008

WORKS

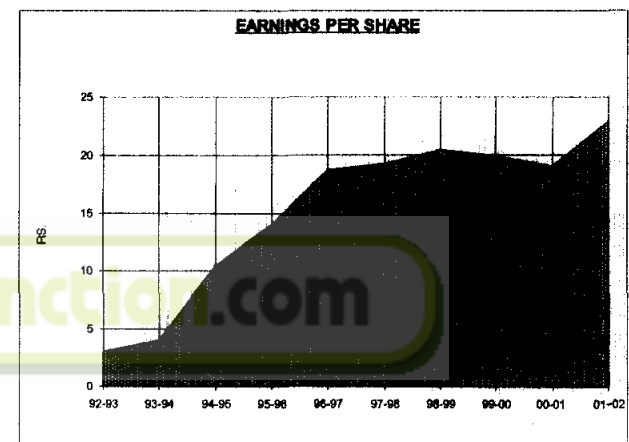
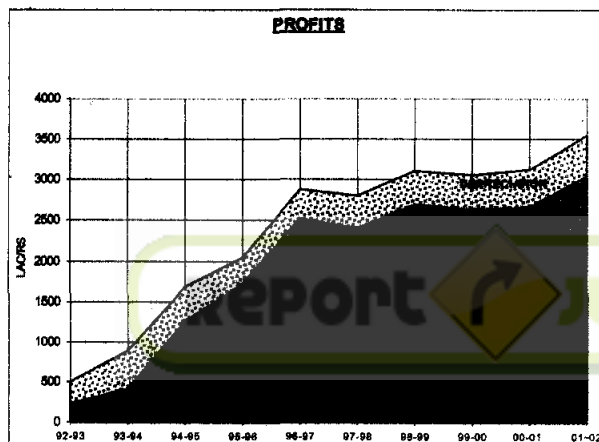
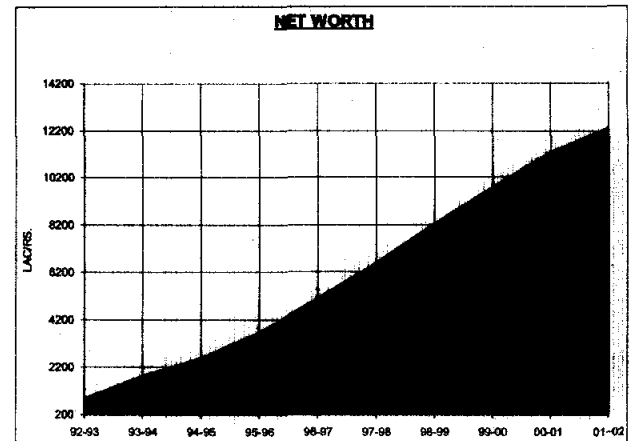
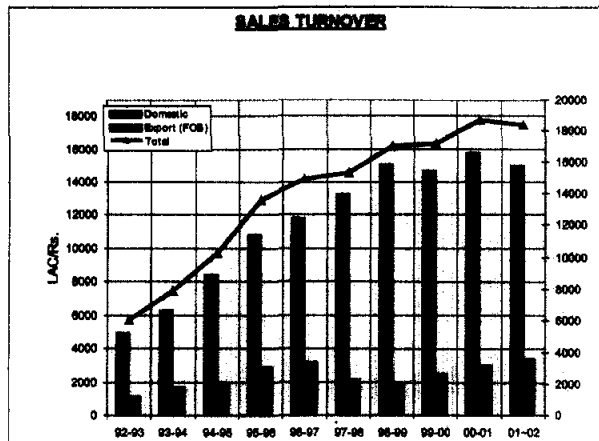
Village & Post Office Bhigwara,
Via Kichha, Rudrapur,
Distt. Udham Singh Nagar,
Uttaranchal

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-110029



TEN YEAR FINANCIAL SUMMARY

PARTICULARS	UNIT	YEAR									
		92-93	93-94	94-95	95-96	96-97	97-98	98-99	99-00	00-01	01-02
SALES QTY	NOS	45546	56131	68159	82209	85756	82440	91603	94257	102420	105730
SALES	LAC.Rs.	6053	7910	10301	13641	14995	15367	17021	17176	18743	18385
PROFIT BEFORE DEPRECIATION & TAX	LAC.Rs.	500	893	1683	2036	2880	2806	3111	3065	3132	3545
PROFIT BEFORE TAX	LAC.Rs.	226	405	1259	1713	2519	2396	2690	2629	2654	3045
PROFIT AFTER TAX	LAC.Rs.	226	405	1064	1418	1889	1946	2070	2014	1929	2322
GROSS FIXED ASSETS @	LAC.Rs.	3481	3580	4116	4507	4959	6331	7019	7511	8756	9064
NET FIXED ASSETS @	LAC.Rs.	2495	2106	2218	2291	2396	3368	3648	3733	4518	4358
NET CURRENT ASSETS	LAC.Rs.	1208	1429	1647	2267	3382	4240	5354	4092	5168	5600
NET WORTH	LAC.Rs.	910	1824	2587	3654	5099	6602	8222	9786	11268	12333
EARNINGS PER SHARE	Rs.	3.01	3.99	10.49	13.98	18.62	19.18	20.41	19.86	19.02	22.90
DIVIDEND	%	15	20	30	35	40	40	40	40	40	80
BOOK VALUE PER SHARE	Rs.	12.13	17.98	25.51	36.02	50.27	65.09	81.06	96.48	111.09	121.59

NOTE : @ INCLUDES CAPITAL WORK-IN-PROGRESS



NOTICE

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

Day	: Tuesday
Date	: 17.09.2002
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 2002 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 confirm payment of Interim Dividend of Rs. 4.00 per equity share and declare Final Dividend on equity shares.
3. To appoint a Director in place of Mr D V Kapur who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr O P Khaitan 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 a Special Resolution:
 "RESOLVED that the Equity Shares of the Company be delisted from Calcutta, Hyderabad, Uttar Pradesh & Madras Stock Exchanges in accordance with the relevant laws, rules, regulations or guidelines and subject to such approvals as may be necessary and in compliance with such conditions and modifications as may be necessary for the purpose.
 RESOLVED further that the Board of Directors of the Company be and is hereby authorized to seek voluntary delisting and to take all necessary steps in this regard as it may in its absolute discretion deem necessary and to settle any question, difficulties, doubts that may arise in regard to delisting of the existing shares, and to execute all such deeds, documents, writings as may be necessary or expedient and for this purpose to delegate the authority to any one of the Director of the Company or the Company Secretary or any person to do various acts, deeds and things required to be done in this behalf."

By order of the Board
For Honda Siel Power Products Limited

NEW DELHI
27.07.2002

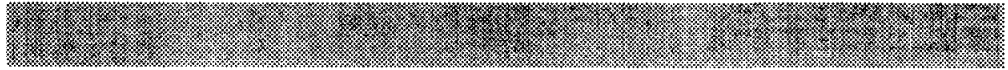
ANIL RUSTGI
COMPANY SECRETARY



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. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE MEETING. A PROXY FORM IS ATTACHED HERewith.
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business as set out above is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 03.09.2002 to 17.09.2002 (both days inclusive).
4. The Final Dividend as recommended by the Board of Directors and if approved by the Members at Annual General Meeting shall be paid to those members whose name appear on the Register of Members of the Company on 17th September 2002.
5. **As per the provisions of the Finance Act, 2002, payment of dividend will be subject to deduction of tax at source. However, no tax will be deducted at source in case of dividend payment to an individual (resident in India) does not exceed Rs. 1000. Members, who are eligible to file Form 15-G may file the duly executed form in duplicate with the Company or the Registrar & Share Transfer Agents latest by 25th September 2002.**
6. **As per the provisions of the Income Tax Act, 1961 every person from whom income tax is deducted at source is mandatorily required to intimate Permanent Account Number (PAN) to the person responsible for deducting such tax at source. In case PAN has not been allotted by the Income Tax Department, the person is required to intimate his General Index Register Number (GIR No.). Members of the Company whose dividend will be liable to deduction of tax at source are requested to intimate PAN/GIR No. to the Company or to the Registrar and Share Transfer Agents latest by 25th September 2002.**
7. Pursuant to the provisions of Section 205A of the Companies Act, 1956, the amount of dividend which remains unpaid or unclaimed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company would be transferred to the Investor Education and Protection Fund, constituted by the Central Government and the Members would not be able to claim any amount of dividend so transferred to the fund. As such, Members who have not yet encashed their dividend warrants are requested in their own interest to write to the Company immediately for claiming outstanding dividend declared by the Company for the Financial Year 1994-95 (Final) and thereafter.

In respect of the unclaimed dividends upto financial year 1993-94 and Interim Dividend for the financial year 1994-95, already transferred by the Company to the General Revenue Account of the Central Government, Members may claim the same by writing to the Registrar of Companies, NCT of Delhi & Haryana, Paryavaran Bhawan, CGO Complex, Lodhi Road, New Delhi - 110 003. In case any assistance is required, please write to the Company at its Registered Office.
8. With a view to provide protection against fraudulent encashment of dividend warrants, Members are requested to provide their bank account number, name and address of the Bank Branch to enable the Company to incorporate the said details in the dividend warrants.
9. Documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting.
10. Members seeking any information with regard to accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.



11. The equity shares of the Company have been notified for compulsory trading in demat form by all investors from 24th July 2000.

The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), the two depositories and the equity shares of the Company have already been activated for dematerialisation on NSDL as well as CDSL.

Members are requested to avail this facility and get their shareholding converted into dematerialised form by sending the Dematerialisation Request Form (DRF) alongwith the share Certificates through their Depository Participant (DP) at the following address :

M/s Mas Services Pvt. Ltd.
AB- 4, Safdarjung Enclave,
New Delhi-29

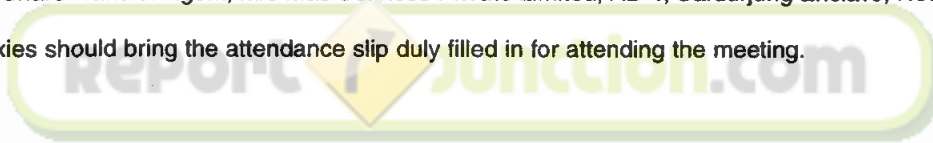
12. In terms of Section 109(A) of the Companies Act, 1956 the Members of the Company may nominate a person to whom the shares held by him shall vest in the event of death.

In case you wish to avail the nomination facility in respect of shares held by you, please write to the Company to obtain the nomination form.

13. The members are requested to notify immediately any change in their address to the Company or to the Company's Registrar and Share Transfer Agent quoting their folio number.

14. All correspondence relating to shares must be addressed to the Company at its Registered Office or to the Company's Registrar and Share Transfer Agent, M/s Mas Services Private Limited, AB-4, Safdurjung Enclave, New Delhi – 110 029.

15. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.



**EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956****ITEM NO. 6**

The equity shares of the Company are presently listed at six Stock Exchanges - Delhi (The Regional Stock Exchange), Mumbai, Calcutta, Hyderabad, Uttar Pradesh and Madras. For the last few years there has been no trading of Company shares at the Calcutta, Hyderabad, Uttar Pradesh and Madras Stock Exchanges. This situation, therefore, does not justify payment of considerable amount by way of listing fees and other expenses the Company is incurring. The Board of Directors of the Company at their meeting held on 27.07.2002 has considered this matter in detail and has decided to get the shares delisted from the four Stock Exchanges - Calcutta, Hyderabad, Uttar Pradesh and Madras, in accordance with the applicable laws, rules, regulations and guidelines.

As required under the listing Agreement entered by the Company with the Stock Exchanges, the Company seeks your approval by way of a Special Resolution for delisting the shares of the Company from the said Stock Exchanges.

None of the Directors is concerned or interested in this resolution.

By order of the Board
For Honda SIEL Power Products Limited

ANIL RUSTGI
COMPANY SECRETARY

New Delhi
27.07.2002




Information pursuant to Clause 49 VI(A) of the Listing Agreement:

A brief resume of the Directors seeking re-appointment in the forthcoming Annual General Meeting is being given below :

Name of Director	Mr D V Kapur	Mr O P Khaitan
Date of Birth	09.09.1928	21.11.1943
Date of Appointment	31.03.1988	31.03.1988
Expertise in Specific functional areas	Expertise in the Power Industry and extensive managerial experience	Rich experience in the areas of commercial law, corporate law, industrial disputes and labour law, maritime laws, insurance laws, commissions of inquiry, arbitration, conveyancing, foreign collaborations etc.
Qualifications	Honors in Electrical Engineering	B.Com , LLB, Attorney-at-Law (Solicitor)
List of Companies in which outside Directorship held as on March 31, 2002	DLF Power Ltd. DCM Hyundai Ltd. Drivetech Accessories Ltd. GKN Driveshafts (India) Ltd. Jacobs H&G Pvt. Ltd. Larsen & Toubro Ltd. Reliance Power Ltd. Reliance Salgaocar Power Co. Ltd. Reliance Industries Limited Tata Chemicals Ltd. Zenith Ltd.	Curls & Curves (India) Ltd. Cosmo Ferrites Ltd. Essar Shipping Ltd. ECE Industries Ltd. Ilpea Paramount Pvt. Ltd. J K Industries Ltd. Korin India Ltd. Nipshell Builders Pvt. Ltd. Shriram Pistons & Rings Ltd. Vikrant Tyres Ltd. WGF Financial Services Ltd.
Chairman/ Member of the Committees of the Board of the Companies on which he is a Director as on March 31,2002	GKN Driveshafts (India) Ltd.- Audit Committee – Chairman Honda Siel Power Products Ltd.- Audit Committee – Chairman Larsen & Toubro Ltd.- Shareholder's Grievance Committee – Member Zenith Ltd. – Audit Committee – Member	ECE Industries Ltd.- Audit Sub-Committee – Chairman Honda Siel Power Products Ltd.- Audit Committee – Member J K Industries Ltd.- Shareholders Grievance Committee- Member Audit Committee – Member Vikrant Tyers Ltd.- Audit Committee – Chairman Shareholders/Investors Grievance Committee – Chairman



DIRECTORS' REPORT

Your Directors have pleasure in presenting the Seventeenth Annual Report together with Audited Accounts of the Company for the year ended 31st March 2002.

FINANCIAL RESULTS

(Rs. in lacs)		
PARTICULARS	Year Ended March 31, 2002	Year Ended March 31, 2001
Sales	18384.86	18743.23
Job Charges (gross)	102.26	
Other Income	519.91	284.27
Profit before depreciation and finance charges	3610.07	3218.38
Finance Charges	65.15	86.02
Depreciation	499.62	478.04
Profit before tax	3045.30	2654.32
Provision for taxation	722.92*	725.00
Profit after Tax	2322.38	1929.32
Balance of profit brought forward	3000.00	3000.00
Amount available for appropriation	5322.38	4929.32
APPROPRIATIONS		
Dividend		
-Interim	405.72	405.72
-Final (Proposed)	405.72	-
Dividend Tax on Interim Dividend	41.38	41.38
General Reserves	1469.56	1482.22
Balance carried to balance sheet	3000.00	3000.00

* includes Deferred Tax provision of Rs. 32.92 lacs.

DIVIDEND

An Interim Dividend @ 40% on equity shares has already been paid. The Board of Directors recommend an additional Dividend @ 40% to be paid as final dividend, for the year ended 31st March 2002 on equity shares, thereby making a total dividend of 80% for the year ended 31st March 2002, subject to deduction of tax at source, wherever applicable.

DOMESTIC MARKETS AND EXPORTS

From this year onwards, your Directors have decided to include a detailed report on operations titled "Management Discussion and Analysis Report". This appears immediately after the Directors' Report.

INDIGENISATION PROGRAMME

The Company is continuously working on reducing imports and cost reduction through indigenisation of components and raw materials.

The balance components for indigenisation are high technology items requiring technology, long term investments by the vendors and development time. The Company with the help of Honda Motor Co., Ltd., Japan has taken up of indigenisation of high technology components and in the years to come is expected to increase the indigenisation levels.