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20th ANNUAL REPORT 2004-2005

HONDA
POWER PRODUCTS

Honda Siel Power Products Limited

www.reportjunction.com



Get the power to run all your appliances.
Even during long power cuts.

Bring home a Super-Silent Honda Generator and run your Fans, Tubelights, Domestic motor pump, Computer, T.V., Washing Machine, Refrigerator, Air cooler, Microwave Oven, Mixer and much more with ease.*

Easy Features available

- Range 0.5 KVA - 2.4 KVA • Super-Silent • Self Start*
- Conforms to Govt. Emission Norms

YOUR OWN POWER STATION

visit us at: www.honda.generators.com

HONDA GENERATORS

HONDA
The Power of Dreams

EBK 1000
EBK 650
EB 650GP

अपनी गैस, अपनी बिजली

होन्डा जेनरेटर से 100% बिजली
लम्बे ख़बर कट से आज़ादी पाओ

100% SAFE

हिमांग लगाओ, Gas waste कम लाओ !

HONDA GENERATORS

* On commercial cylinder ** Conditions apply # (एल) वायर मॉडल में अनुपलब्ध

HONDA
The Power of Dreams

Electric Lawnmower

Giving your Lawn a beautiful look

HONDA
POWER PRODUCTS

होंडा पम्प...
है छोटा पर बहुत शक्तिशाली...

**...लाये खेतों में हरियाली,
किसानों के लिये खुशहाली!!**

भारत का सबसे आधुनिक,
हल्का और शक्तिशाली पम्पसेट

HONDA POWER PRODUCTS

WBK 30

- अन्तर्राष्ट्रीय होंडा तकनीक
- उठाने में कम वजन
- चालू करना आसान
- पानी का बहाव कम-ज्यादा करने की क्षमता
- किसानों के लिए वरदान
- सिंचाई की आवश्यकता के अनुसार अलग-अलग मॉडल में उपलब्ध



BOARD OF DIRECTORS

Mr Siddharth Shriram - Chairman
Mr D V Kapur
Mr O P Khaitan
Mr Ravi Vira Gupta
Mr M Takedagawa
Mr Y Aoshima
Mr S Mizusawa
Mr Kanji Kashiwagi - President & CEO
Mr R S Bidesi - Vice-President & Whole-Time Director
Mr T Sodeyama - Vice-President & Whole-Time Director

COMPANY SECRETARY

Mr Anil Rustgi

STATUTORY AUDITORS FOR 2004-05

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

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

WORKS

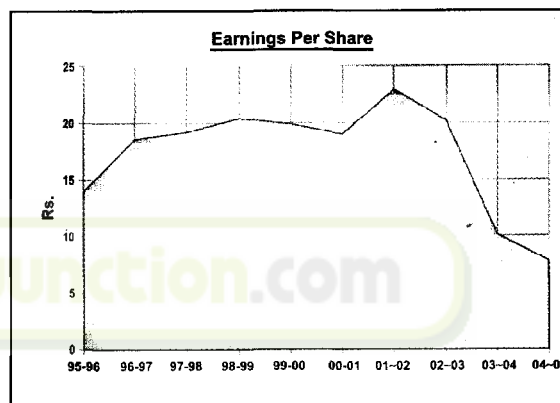
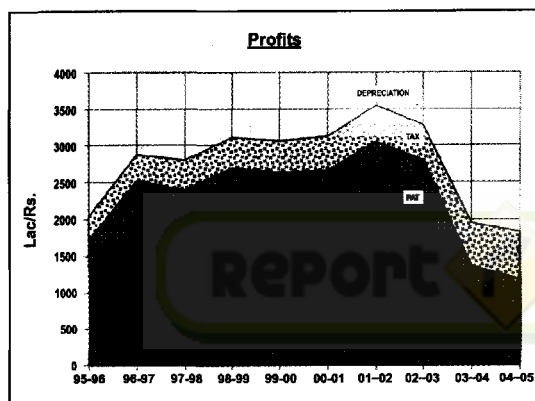
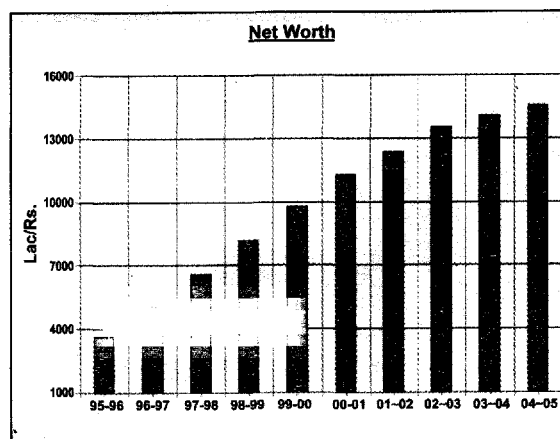
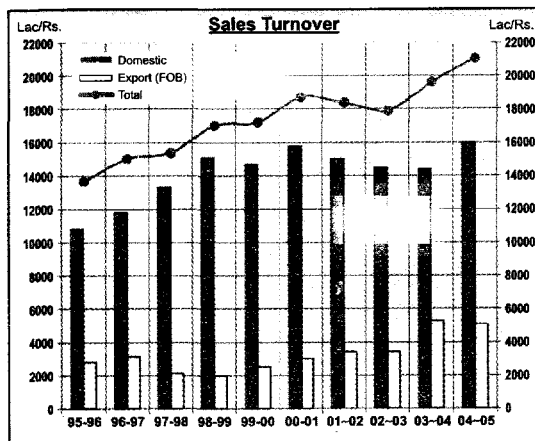
Village & Post Office Bhigwara
Via Kichha, Rudrapur
Distt. Udham Singh Nagar,
Uttaranchal

Plot No. B-16, B-30 & B-31
PIPDIC Industrial Estate,
Sedarapet,
Pondicherry

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

REGISTRAR & SHARE TRANSFER AGENT

Mas Services Private Ltd.
AB-4, Safdarjung Enclave,
New Delhi-110029



TEN YEAR FINANCIAL SUMMARY

PARTICULARS	UNIT	YEAR									
		95-96	96-97	97-98	98-99	99-00	00-01	01-02	02-03	03-04	04-05
SALESQTY	NOS	82209	85756	82440	91603	94257	102420	105730	119562	156855	155256
SALES	LAC.Rs.	13641	14995	15367	17021	17176	18743	18385	17896	19615	21042
PROFIT BEFORE DEPRECIATION & TAX	LAC.Rs.	2036	2880	2806	3111	3065	3132	3545	3290	1943	1816
PROFIT BEFORE TAX	LAC.Rs.	1713	2519	2396	2690	2629	2654	3045	2794	1348	1161
PROFIT AFTER TAX	LAC.Rs.	1418	1889	1946	2070	2014	1929	2322	2044	1031	798
GROSS FIXED ASSETS @	LAC.Rs.	4507	4959	6331	7019	7511	8756	9064	9581	10667	10957
NET FIXED ASSETS @	LAC.Rs.	2291	2396	3368	3648	3733	4518	4358	4395	4903	4567
NET CURRENT ASSETS	LAC.Rs.	2267	3382	4240	5354	4092	5168	5194	6509	6365	11028
NETWORTH	LAC.Rs.	3654	5099	6602	8222	9786	11268	12333	13514	14087	14538
EARNINGS PER SHARE	Rs.	13.98	18.62	19.18	20.41	19.86	19.02	22.90	20.15	10.17	7.87
DIVIDEND	%	35	40	40	40	40	40	80	80	40	30
BOOK VALUE PER SHARE	Rs.	36.02	50.27	65.09	81.06	96.48	111.09	121.59	133.23	138.89	133.33

NOTE : @ INCLUDES CAPITAL WORK-IN-PROGRESS



NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the members of Honda Siel Power Products Limited will be held as scheduled below :

Day : Tuesday
 Date : 26th July 2005
 Time : 11.30 A.M.
 Place : Plot No. 5, Sector 41 (Kasna),
 Greater Noida Industrial Development Area,
 Distt. Gautam Budh Nagar, (UP).

to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2005 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 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 of the Company and fix their remuneration.

M/s A.F. Ferguson & Co., Chartered Accountants are not intending to stand for re-appointment as Statutory Auditors of the Company. It is proposed to appoint M/s BSR & Co., Chartered Accountants in their place as Statutory Auditors of the company.

"RESOLVED THAT M/s BSR & Co., Chartered Accountants, be and are hereby appointed as the Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at a remuneration to be fixed by the Board of Directors of the Company".

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 Mr Kanji Kashiwagi who was appointed as an Additional Director of the Company under Article 90 of the Articles of Association of the Company and who holds such office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing, pursuant to Section 257 of the Companies Act, 1956, proposing his candidature to the Office of Director, be and is hereby appointed as Director of the Company."
7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
 "RESOLVED that subject 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 modification thereof and further subject to the approval of the Central Government, the consent of the Shareholders of the Company be and is hereby accorded to the appointment and remuneration of Mr Kanji Kashiwagi as President & CEO of the Company for a period of five years w.e.f 27th March 2005 on the following terms and conditions:

Basic Salary	Rs. 79,000 (Rupees Seventy Nine Thousand) per month
Perquisites	
Category A	
Housing	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



Medical reimbursement	One month 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 Fees for Japanese Association	On actuals.
Club Fee	Admission fees, monthly and annual charges, subject to maximum of two clubs including Golf Club.
Personal Accident Insurance	Premium not to exceed Rs. 6000/- (Rupees Six Thousand) 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.
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 also be borne by the Company.
Car	Facility of car with driver including petrol and maintenance expenses as per Company Rules.
Leave	As per Company policy.
Subsidy for recreation	Subsidy for recreation not to exceed Rs. 24,000 (Rupees Twenty Four Thousand) per annum.
Miscellaneous expenses	At actuals, as per rules of the Company, to cover Import duty & charges for Japanese food, electricity, water, gasoline, maintenance at house for generator, security guard, pest control, all repair & maintenance expenses at house such as electric goods, furniture etc.
Income Tax	Income Tax on perquisites, not provided for by way of monetary payment, shall be paid by the Company as per provisions of Income Tax Act, 1961.

"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 Kanji Kashiwagi 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 Kanji Kashiwagi 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, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED that subject 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 modification thereof, consent of the Shareholders of the Company be and is hereby accorded to the re-appointment of Mr Takayuki Sodeyama as Vice-President & Whole-Time Director of the Company w.e.f 21.06.2005 to 30.05.2006 on the following terms and conditions:

Basic Salary	Rs. 70,000 p.m. (Rupees Seventy Thousand) per month.
Perquisites	
Category A	
Housing	The expenditure by the Company on hiring unfurnished accommodation will be subject to a ceiling of Rs. 55,000 per month. Provision of furnishing as per Company Rules.
Medical reimbursement	One month Basic Salary in a year.
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 Fees for Japanese Association	On actuals.
Club Fee	Admission fees, monthly and annual charges, subject to maximum of two clubs including Golf Club.
Personal Accident Insurance	Premium not to exceed Rs. 6000/- (Rupees Six Thousand) 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.



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 also be borne by the Company.
Car	Facility of car with driver including petrol & maintenance expenses as per Company Policy.
Leave	As per Company policy.
Subsidy for recreation	Subsidy for recreation not to exceed Rs. 24,000 (Rupees Twenty Four Thousand) per annum.
Miscellaneous expenses	At actuals, as per rules of the Company, to cover Import duty & charges for Japanese food, electricity, gasoline, maintenance at house for generator, security guard, pest control, all repair & maintenance expenses at house such as electric goods, furniture etc.
Income Tax	Income Tax on perquisites, not provided for by way of monetary payment, shall be paid by the Company as per provisions of Income Tax Act, 1961.

"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 re-appointment of Mr Takayuki 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 Takayuki 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".

By order of the Board
For Honda Siel Power Products Limited

Place : New Delhi
Date : 30th May 2005

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 20th July 2005 to 26th July 2005 (both days inclusive).
4. The 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 26th July 2005.
5. 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 that fund.

Accordingly, the Company would be required to transfer the unclaimed dividend for the year 1997-98 to the Investor Education and Protection Fund by the end of 2005. 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 said Financial Year and thereafter.

The Company has already transferred unclaimed dividends upto financial year 1994-95, to the General Revenue Account of the Central Government and for financial year 1995-96 & 1996-97 to Investors Education & Protection Fund.

6. With a view to provide protection against fraudulent encashment of dividend warrants, Members are requested to provide their bank account numbers, name and address of the Bank Branch to enable the Company to incorporate the said details in the dividend warrants. Members are also requested to forward their ECS particulars to their Depository Participants and to the Registrars by 15th July 2005.
7. 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.
8. 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.
9. 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



10. 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.

11. 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.
12. 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.
13. Members/Proxies should bring the attendance slip duly filled in for attending the meeting.

By order of the Board
For Honda SIEL Power Products Limited

Place : New Delhi
Date : 30th May 2005

Anil Rustgi
Company Secretary

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