

NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of the Company will be held on 19th August 2010 at 10.15 a.m. at Kamani Auditorium, 1, Copernicus Marg, New Delhi-110001 to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2010 and the Profit and Loss Account of the Company for the year ended on that date and the Reports of Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Dr. 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 consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and all other applicable provisions, if any, of the Companies Act, 1956, M/s B S R & Co., Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, to hold the office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration as may be fixed by the Board of Directors and reimbursement of out-of-pocket expenses incurred by them for carrying out the audit."

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. Takashi Nagai who was appointed as Director of the Company in Casual Vacancy under Section 262 of the Companies Act, 1956 ('the Act') and Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of the Act, 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 Mr. Masato Saito who was appointed as Director of the Company in Casual Vacancy under Section 262 of the Companies Act, 1956 ('the Act') and Articles of Association of the Company and in respect of whom the Company has received a notice in writing from a member pursuant to Section 257 of the Act, proposing his candidature to the office of Director, be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT Mr. Takashi Hamasaki who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 ('the Act') and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member pursuant to Section

257 of the Act, proposing his candidature to the office of Director, be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT subject to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any amendment or modification thereof and subject to the approval of the Central Government, if required, and such other approvals as may be necessary, the approval of the Shareholders be and is hereby accorded for the appointment of Mr. Takashi Hamasaki as Managing Director of the company to be designated as President & CEO of the Company for a period of five years effective April 1, 2010, not liable to retire by rotation, on the following terms and conditions:

Basic Salary	Rs. 75,000/- (Rupees Seventy Five thousand only) per month.
Perquisites	
Housing	The expenditure by the Company on hiring unfurnished accommodation, will be subject to a ceiling of Rs. 2,00,000/- (Rupees Two Lacs only) per month.
Special Allowance	Not exceeding Rs. 4,00,000/- (Rupees Four Lacs only) per month.
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 fee for Japanese Association	On actuals
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. 6000/- (Rupees Six thousand only) per annum.
Insurance of Household Goods	Premium not to exceed Rs. 6000/- (Rupees six thousand only) per annum.
Medical Insurance	Premium not to exceed Rs. 6000/- (Rupees six thousand only) 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 be reimbursed if the President & CEO leaves for the home country.

Car	Company Car with driver, including petrol and maintenance expenses, for official use.
Leave	As per Company Rules.
Subsidy for recreation	Subsidy for recreation not to exceed Rs.24,000/-(Rupees Twenty Four Thousand only) per annum.
Miscellaneous expenses	At actuals to cover Import duty and charges for Japanese food, electricity, water, fuel maintenance for generator at home, security guard, pest control, all repair and maintenance expenses at House such as electric goods, furniture etc.
Provident Fund	As per Act.

RESOLVED FURTHER THAT the Board of Directors, which term shall include the Committee of the Board, be and is hereby authorized to alter and vary from time to time during the current tenure of appointment of Mr. T. Hamasaki, the terms and conditions and/or remuneration in such manner as in the best interest of the Company in accordance with the laws in force from time to time and acceptable to Mr. T. Hamasaki, 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 event of absence or inadequacy of profits for such year.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and deeds as may be necessary, expedient or desirable, in order to give effect to this resolution or otherwise as considered by the Board to be in the best interest of the Company."

By order of the Board
for **Honda Siel Power Products Limited,**

Place: New Delhi
Date : 21 May 2010

Payal Chaddha
Company Secretary

NOTES

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the items of Special Business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, IF ANY, 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 BLANK PROXY FORM IS ATTACHED TO THE NOTICE.**
3. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
5. The Register of Members and Share Transfer Books of the

Company will remain closed from August 13, 2010 to August 19, 2010 (both days inclusive).

6. **Payment of Dividend**
The Dividend on Equity Shares for the year ended March 31, 2010, as recommended by the Board, if declared at the meeting will be paid as follows:
 - i) In respect of shares held in physical form, to those members whose names appear on the Register of Members of the Company on August 19, 2010 after giving effect to all valid share transfers lodged with the Company on or before August 12, 2010.
 - ii) In respect of shares held in electronic form, to those beneficial owners whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the end of the business hours on August 12, 2010.

The members are hereby informed that the Company would transfer the dividends which remain unclaimed over a period of 7 years to the Investor Education and Protection Fund ('IEPF') established under section 205C of the Companies Act, 1956.

The Company has already transferred unclaimed dividends upto financial year 1994 - 95 to the General Revenue Account of the Central Government and for the financial years 1995-96 to 2002-03 (Interim Dividend) to IEPF. Following are the details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to IEPF:

Dividend year	Date of Declaration	Due date for transfer to IEPF
2002-03 (Final)	13.08.2003	13.09.2010
2003-04	29.09.2004	29.10.2011
2004-05	26.07.2005	26.08.2012
2005-06	27.07.2006	27.08.2013
2006-07	26.07.2007	26.08.2014
2007-08	10.09.2008	10.10.2015
2008-09	07.09.2009	07.10.2016

The Company shall not be in a position to entertain the claims of the shareholders for the unclaimed dividends, which have been transferred to the credit of IEPF. Accordingly, the shareholders are advised to send all the un-encashed dividend warrants pertaining to the year 2002-03 (Final Dividend) upto 2008-09 to our Share Transfer Agent at New Delhi for revalidation and encash them before the due dates for transfer to IEPF.

7. Investors holding shares in physical mode are advised, with a view to provide protection against fraudulent encashment of dividend warrants, to forward the particulars of their bank account, name, branch and address of the bank immediately, if not sent already, so as to enable us to incorporate the same on the dividend warrants.

Investors holding shares in physical mode are further advised to opt for Electronic Clearing Service (ECS) to avail of fast and safe remittance of dividend, and return the Mandate Form at the earliest, accurately filled and signed. A photocopy of a leaf of your cheque book bearing your bank account number may also be sent alongwith the Mandate Form to the Share Transfer Agent. A blank ECS Mandate Form is annexed.

8. 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.
9. Brief resume and other particulars of Dr. D. V. Kapur, Mr. O. P. Khaitan, Mr. Takashi Nagai, Mr. Masato Saito and Mr. Takashi Hamasaki, as required under Para IV G of Clause 49 of Listing Agreement are annexed.
10. Members are requested to:
- Send their queries, if any, to reach the Company's Registered Office at 3&4 / 48, 2nd Floor, Enkay House, Malcha Marg Shopping Complex, Chanakyapuri, New Delhi – 110 021 at least 10 days before the date of the meeting so that information can be made available at the meeting.
 - Avail the dematerialization facility and get their shareholding dematerialized by sending the Dematerialization Request Form alongwith the Share Certificates through their Depository Participant.
 - 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 and also notify their e-mail address for prompt response.
 - To bring their copies of Annual Report. Members/ Proxies should bring the attendance slip duly filled in for attending the meeting.
11. M/s Mas Services Ltd. is Registrar and Share Transfer Agent of the Company. All investor related communication may be addressed to:
M/s Mas Services Limited
Unit: Honda Siel Power Products Limited
T-34, 2nd Floor, Okhla Industrial Area, Phase - II,
New Delhi - 110 020
Ph:- 011 26387281/82/83, Fax:- 011 26387384
email:- info@masserv.com
website : www.masserv.com
12. In terms of Section 109A 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. **Members may please note that briefcase, bag, mobile phone and/or eatables shall not be allowed to be taken inside the hall for security reasons.**

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

Mr. Takashi Nagai has been appointed as Director of the Company in Casual Vacancy by the Board of Directors at its meeting held on March 29, 2010.

Notice under section 257 of the Companies Act, 1956 has been received from a member proposing his candidature for the office of Director of the Company.

Your Directors are confident that Mr. Takashi Nagai's guidance would be very beneficial to the Company and recommends the resolution for your approval.

None of the Directors, except Mr. Takashi Nagai, are in any way, concerned or interested in the resolution.

ITEM NO. 7

Mr. Masato Saito has been appointed as Director of the Company in Casual Vacancy by the Board of Directors at its Meeting held on March 29, 2010.

Notice under section 257 of the Companies Act, 1956 has been received from a member proposing his candidature for the office of Director of the Company.

Your Directors are confident that Mr. Masato Saito's guidance would be very beneficial to the Company.

None of the Directors, except Mr. Masato Saito, are in any way, concerned or interested in the resolution.

The Board recommends the resolution for your approval.

ITEM NO. 8

Mr. Takashi Hamasaki has been appointed as Additional Director by the Board of Directors at its meeting held on March 29, 2010. Mr. Takashi Hamasaki will hold office as Director, effective April 01, 2010 upto the date of the ensuing Annual General Meeting.

Notice under section 257 of the Companies Act, 1956 has been received from a member proposing his candidature for the office of Director of the Company.

The Board considers that the contribution of Mr. Takashi Hamasaki will be of immense benefit to the Company and recommends his appointment for your approval.

None of the Directors, except Mr. Takashi Hamasaki, are in any way, concerned or interested in the resolution.

ITEM NO. 9

Mr. Joji Kobayashi, President & CEO of the Company has been re-assigned by Honda Motor Co., Ltd., Japan to some other assignment in Japan after a successful tenure in the Company. Honda Motor Co., Ltd., Japan has now nominated Mr. Takashi Hamasaki in place of Mr. Joji Kobayashi.

The Board of Directors, in their Meeting held on March 29, 2010, have appointed Mr. Takashi Hamasaki as Managing Director of the Company, to be designated as President & CEO, for a period of five years effective April 1, 2010, not liable to retire by rotation, on the terms and conditions as set out in the resolution.

The Appointment of Mr. Takashi Hamasaki is subject to the approval of the Central Government. The Remuneration of Mr. Takashi Hamasaki has also been approved by the Board subsequent to the recommendation of the Remuneration Committee at its meeting held on March 29, 2010.

None of the Directors, except Mr. Takashi Hamasaki, are in any way, concerned or interested in the resolution.

Abstract of terms of appointment, remuneration and Memorandum of Interest as required under Section 302 of the Companies Act, 1956 has already been circulated to the shareholders.

Your Directors recommend the resolution for your approval.

By order of the Board
for **Honda Siel Power Products Limited,**

Place: New Delhi
Date : 21 May 2010

Payal Chaddha
Company Secretary

Information pursuant to Clause 49 IV (G) of the Listing Agreement

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

Particulars	Dr. D.V. Kapur	Mr. O. P. Khaitan	Mr. Takashi Nagai	Mr. Masato Saito	Mr. Takashi Hamasaki
Date of Birth	09.09.1928	21.11.1943	07.02.1959	09.07.1958	30.11.1960
Date of appointment / re-appointment	31.03.1988	31.03.1988	01.04.2010	01.04.2010	01.04.2010
Expertise in specific functional areas	Dr. Kapur had an illustrious career in the Government sector with a successful track record of building vibrant organizations and successful project implementation. Dr. Kapur also served as Secretary to the Government of India in the Ministry of Power.	Mr. O. P. Khaitan is practicing as Solicitor & Advocate since 1967 – doing commercial law, corporate law, industrial disputes and labour law, maritime laws, insurance laws, commission of inquiry, arbitration, conveyancing, foreign collaborations, etc.	Mr. Nagai has expertise in production control, trading and field sales operations.	Mr. Saito has expertise in the area of sales and business planning.	Mr. Hamasaki has expertise in planning and implementation of business / product strategy and overseas sales, establishment and development of overseas sales distributors, organizational operation and extensive experience in training and development of personnel.
Qualifications	Honors Graduate in Electrical Engineering with wide experience in Power, Capital Goods, Chemicals and Petrochemicals Industries.	B.Com & LL.B., from Calcutta University Attorney-at-Law (Solicitor), from Calcutta High Court Received Bell Chambers Gold Medal from Calcutta High Court.	Graduate Major – Economics	Graduate Major – Management	Graduate Major – Political Science and Economics
Name of other Indian companies in which Directorship held	1. Jacobs H&G (P) Ltd. 2. GKN Driveline (India) Ltd. 3. Drivetech Accessories Ltd. 4. Zennith Birla (India) Ltd. 5. DLF Limited 6. Reliance Industries Limited	1. J.K. Tyre & Industries Ltd. 2. ECE Industries Ltd. 3. Shriram Pistons and Rings Ltd. 4. VLCC Health Care Ltd. 5. Ilpea Paramount Ltd. 6. Sharda Motor Industries Ltd. 7. Bengal & Assam Company Ltd. 8. JKI Employees Welfare Association Ltd.	1. Honda Siel Cars India Limited 2. Honda Motor India Pvt. Limited 3. Honda Motorcycle and Scooter India Pvt. Ltd. 4. Hero Honda Motors Limited	NIL	NIL
Chairman/ Member of Board Committees in Indian Companies	Honda Siel Power Products Ltd. - Audit Committee – Chairman - Shareholders/Investors Relations Committee-Chairman - Remuneration Committee-Chairman GKN Driveline (India) Ltd. - Audit Committee-Chairman - Chairman's Executive Committee- Chairman - Corporate Governance Committee-Chairman DLF Limited - Investor Grievance & Share Transfer Committee - Chairman - Compliance Committee – Chairman - Audit Committee - Member Zenith Ltd. Audit Committee – Member Reliance Industries Ltd. - Remuneration Committee – Member - Corporate Governance Committee-Member - Health, Safety & Environment Committee- Member	Honda Siel Power Products Ltd. - Audit Committee-Member - Remuneration Committee-Member J K Industries Ltd. - Audit Committee- Chairman - Remuneration Committee - Chairman - Shareholders/Investors Grievance Committee – Member ECE Industries Ltd. - Audit Committee-Member Shriram Pistons and Rings Ltd. - Remuneration Committee-Member - Audit Committee-Member - Shareholders Grievance Committee - Member Ilpea Paramount Ltd. - Audit Committee-Chairman - Remuneration Committee-Chairman Sharda Motor Industries Ltd. - Remuneration Committee-Member - Shareholder Grievance Committee-Member Bengal & Assam Company Ltd. - Audit Committee-Member - Shareholders Grievance Committee – Chairman VLCC Health Care Ltd. - Remuneration Committee-Member - Employees Stock Option-Member	Honda Siel Power Products Ltd. Audit Committee- Member	NIL	Honda Siel Power Products Ltd. - Shareholders/ Investors Relations Committee-Member - Board Committee on Financial Matters - Chairman
Shareholding in the Company	NIL	NIL	NIL	NIL	NIL

Honda Siel Power Products Limited

Regd. Office : 3&4/48, 2nd Floor, Enkay House, Malcha Marg Shopping Complex,
Chanakyapuri, New Delhi-110 021

ATTENDANCE SLIP

(Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall)

I / We hereby record my / our attendance at the 25th Annual General Meeting of the Company to be held at Kamani Auditorium, 1, Copernicus Marg, New Delhi-110 001 on Thursday, August 19, 2010.

Member's / Proxy's Name (in Block Letters)

Signature of Shareholder / Proxy

Ledger Folio / Client ID No.

No. of Shares held

----- Please Tear Here -----

Honda Siel Power Products Limited

Regd. Office : 3&4/48, 2nd Floor, Enkay House, Malcha Marg Shopping Complex
Chanakyapuri, New Delhi-110 021

PROXY FORM

I / We.....residing at.....
in the district of.....being a member / members of Honda Siel Power Products Limited hereby appoint Mr./Ms.....or failing him / her Mr./Ms.....of.....as my / our proxy to attend and vote for me / us on my / our behalf at the 25th Annual General Meeting of the Company to be held at Kamani Auditorium, 1, Copernicus Marg, New Delhi-110 001 on Thursday, the 19th day of August, 2010 and at any adjournment thereof.

As witness my / our hands this.....day of.....2010.

Signature.....

Ledger Folio / Client ID No.....

No. of Share held.....

Affix
Revenue
Stamp

- Note: (a) The proxy form duly completed, must be deposited at the Registered Office of the Company/ Share Transfer Agent not less than 48 hours before the scheduled time for holding the meeting.
(b) The form should be signed across the stamp as per specimen signature registered with the company.

ECS MANDATE FORM

1. Shareholder's Name : _____
(in BLOCK LETTERS) (First Holder)

(Joint Holder)
2. Folio Number / Client ID No. :

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DP ID - NSDL

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- CDSL

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3. No. of Shares : _____
4. Bank Name : _____
5. Branch Name & Address : _____

6. Status of the Investor : Resident ☐ Non-Resident ☐
(Mark '✓' in the appropriate box)
7. Account Type : SB ☐ Current ☐
(Mark '✓' in the appropriate box)
Other (Please Specify)
8. Account Number* : _____
9. Ledger Folio No. of the A/c : _____
(if appearing on Cheque Book)
10. Nine Digit Code Number of the Bank :

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and Branch as appearing on the
MICR Cheque issued by the Bank**

I / We hereby declare that the particulars given above are correct and complete. If credit is delayed or at all not effected for reasons of incomplete or incorrect information, I / We would not hold the Company responsible.

Dated: _____

Signature of the First / Sole Holder
(as appearing in the Company's Records)

Note :

*A/c No. more than 15 characters are not acceptable for ECS.

**Please attach a photocopy of Cheque issued by your Bank relating to your above account for verifying the accuracy of the Code Number.

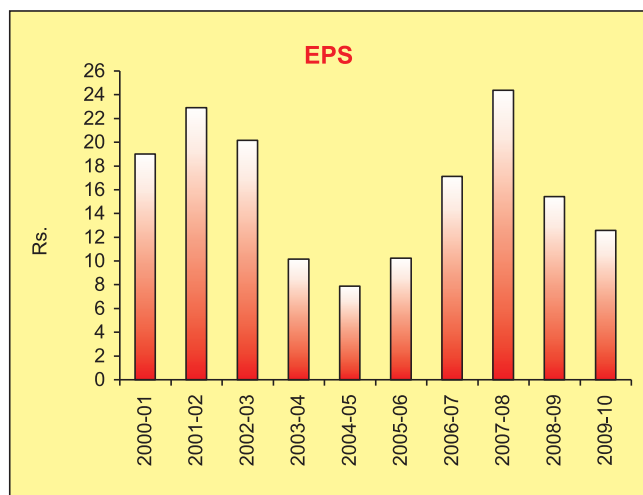
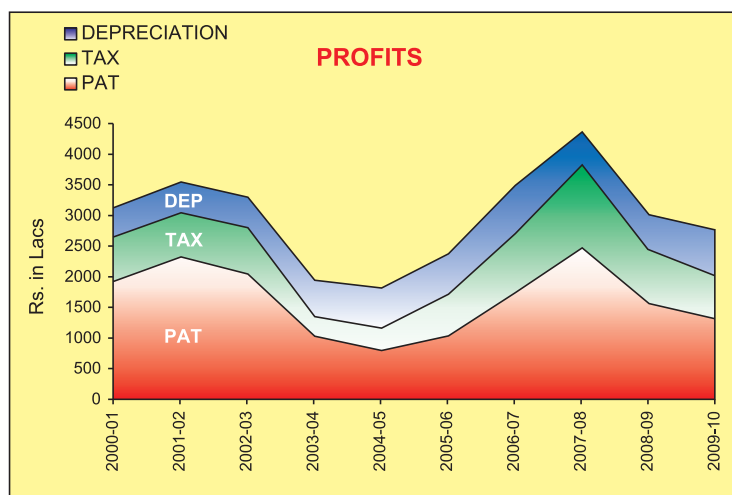
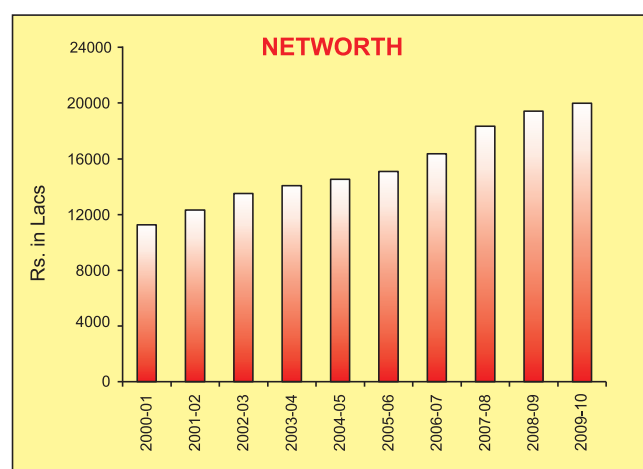
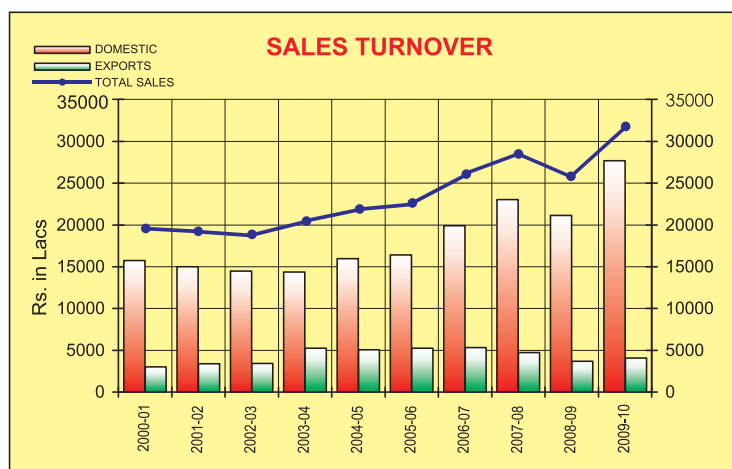
25th
ANNUAL
REPORT
2009|2010

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Honda Siel Power Products Ltd.



Ten Years Financial Performance



YEAR	SALES TURNOVER (Rs. in Lacs)			PROFIT (Rs. in Lacs)					EPS (Rs.)	NETWORTH (Rs. in Lacs)
	DOMESTIC	EXPORTS	TOTAL SALES	PBDT	DEPRECIATION	PBT	TAX	PAT		
2000-01	15736	3007	18743	3132	478	2654	725	1929	19.02	11268
2001-02	14984	3401	18385	3545	500	3045	723	2322	22.90	12333
2002-03	14475	3421	17896	3298	496	2802	758	2044	20.15	13513
2003-04	14360	5255	19615	1943	595	1348	317	1031	10.17	14087
2004-05	15969	5073	21042	1815	654	1161	363	798	7.87	14538
2005-06	16416	5238	21654	2372	655	1717	680	1037	10.23	15113
2006-07	19897	5329	25226	3489	787	2702	964	1738	17.13	16376
2007-08	23057	4725	27782	4364	537	3827	1354	2473	24.38	18351
2008-09	21159	3684	24843	3007	579	2428	864	1564	15.42	19441
2009-10	27719	4294	32013	2699	743	1956	687	1269	12.51	20235

Corporate Information

Board of Directors

Mr. Siddharth Shriram
Chairman

Dr. D. V. Kapur

Mr. O. P. Khaitan

Mr. Ravi V. Gupta

Mr. T. Hamasaki
President & CEO

Mr. Y. Watanabe
Vice-President & Whole-Time Director

Mr. T. Nagai

Mr. M. Saito

Company Secretary
Ms. Payal Chaddha

Technical and Financial Collaborators

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

Statutory Auditors

M/s. B S R & Company
Chartered Accountants
Building No.10, 8th Floor, Tower-B,
DLF Cyber City, Phase-II, Gurgaon-122 002

Bankers

The Bank of Tokyo-Mitsubishi UFJ Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.

Registered Office

3&4/48, 2nd Floor, Enkay House,
Malcha Marg Shopping Complex,
Chanakyapuri, New Delhi-110 021

Head Office

Plot No.5, Sector-41, (Kasna)
Greater Noida Industrial Development Area,
Distt. Gautam Budh Nagar, UP-201 306

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DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the Twenty Fifth Annual Report together with Audited Accounts of the Company for the year ended 31st March 2010.

FINANCIAL RESULTS AND APPROPRIATIONS

(Rs. in Lacs)		
Particulars	Year Ended March 31, 2010	Year Ended March 31, 2009
Sales	32,013	24,843
Job Charges	261	211
Other Income	886	1,374
Profit before finance charges, depreciation and exceptional items	4,723	3,147
Finance Charges	19	21
Depreciation	743	579
Exceptional items	2,004	119
Profit before tax	1,957	2,428
Provision for taxation		
- Current	1,113	764
- Deferred Tax charge/(benefit)	(425)	58
- Fringe Benefit Tax	-	42
Profit after Tax	1,269	1,564
Balance of profit brought forward	7,256	6,324
Amount available for appropriation	8,525	7,888
APPROPRIATIONS		
Dividend	406	406
Tax on Dividend	69	69
General Reserves	127	157
Balance carried to Balance Sheet	7,923	7,256

DIVIDEND

Your Directors recommend a dividend of Rs. 4 per equity share of Rs.10 each (40%) for the year ended 31st March 2010 (previous year 40%). The total outgo on this account will be Rs. 475 lacs including dividend tax.

APPROPRIATIONS

It is proposed to transfer Rs. 127 lacs to General Reserve and retain the balance in Profit and Loss Account.

DOMESTIC MARKETS AND EXPORTS

Your Company has achieved a Sales volume of 1,90,538 Units (as against 1,30,937 units in 2008-09) in domestic and export markets during the financial year 2009-10. This represents a growth of 46% over previous year.

This increase in sales was primarily due to growth in Engine and Water Pump business which had registered record sales during the year.

A detailed report on operations titled 'Management Discussion and Analysis Report' is annexed to the Directors' Report as **Annexure- B** and forms part thereof.

INDIGENISATION PROGRAMME

Your Company is continuously working on cost reduction by localization of critical parts with the support of Honda Motor Co., Ltd., Japan. Due to indigenisation the import content was reduced to 21% during the year. However, due to temporary outsourcing of critical components by way of imports at the time of non-availability of manufacturing facility at Rudrapur, the total imports has increased to 28% of total consumption of Raw Material and Components.

During the year under review, your Company has successfully developed critical electrical parts such as Switch Assembly Engine Stop, Terminal Assembly High Tension and Cap Assembly Noise Suppressor. Since these parts shall be used in production in next financial year, savings on account of these parts will be realized in the next Financial Year 2010-11.

INFORMATION TECHNOLOGY ('IT')

After successful completion of upgradation of Oracle Application, from the earlier desupported version (11.5.4) to the latest supported version (11.5.10.2), Enterprise Resource Planning ('ERP') has been made fully operational during the year 2009-10. Your company has also implemented other modules during the year thereby making optimum utilization of upgraded ERP in the Company.

To further take advantage of information technology in more operational functions of the Company, the following projects were initiated during the year:

- Online, restricted and secured access of ERP was given to suppliers to enhance the efficiency in transaction handling, as well as for avoiding duplication of processes. This project was initially started with few suppliers. However, after successful trials, it is now ready for full fledged roll out.
- Human Resources Information System (HRIS), was planned for better handling of Human Resources data, online communication with Company Personnel and for fully integrated seamless data transfer to Oracle application. The process for the same has been initiated and the same is expected to roll out within first half of the year 2010-11.

ENVIRONMENT PROTECTION & SAFETY

Your Company is committed towards the protection and safety of the environment. All employees make efforts in daily operation towards controlling emissions, effluents and waste disposal arising out of manufacturing processes, product and services as per the predefined norms. Environmental improvements were achieved by completing the following actions:

- Ensuring cleaner environment by retrofitting of gas fired burners in existing High Speed Diesel (HSD) fired melting cum holding furnace.

- New ETP (Effluent Treatment Plant) lab made for ensuring effective monitoring of treated water quality.
- New centralized oil yard made for storage of oil.

The products manufactured by your Company strictly comply with air emission and noise regulation norms notified by the Ministry of Environment and Forests (MOEF). The 'confirmation of production' to the air emission and noise regulation is done as laid down by MOEF.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The requisite information relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required to be disclosed pursuant to Section 217(1)(e) of the Companies Act, 1956, read with Companies [Disclosure of Particulars in the Report of Board of Directors] Rules, 1988 is set out in a separate statement annexed to this report as **Annexure-A** and forms part thereof.

DIRECTORS

During the year under review, Mr. J. Kobayashi, President & CEO of the Company has been re-assigned by Honda Motor Co., Ltd., Japan ('HM') to other assignment in Japan after a successful tenure in the Company. Your Board places on record its deep appreciation for the services rendered by Mr. J. Kobayashi during his tenure with the company.

Mr. R. S. Bidesi, Vice President & Whole Time Director retired from the services of the Company after successful tenure of over 26 years with the Company. Your Board places on record its deep appreciation for the services rendered by Mr. R. S. Bidesi during his tenure with the Company.

Honda Motor Co., Ltd., Japan withdrew the nominations of Mr. M. Takedagawa and Mr. S. Mizusawa, who ceased to be Directors of the Company effective April 1, 2010. The Directors wish to place on record their deep appreciation for the services rendered by Mr. M. Takedagawa and Mr. S. Mizusawa during their tenure as Directors of the Company.

Mr. Takashi Hamasaki was appointed as a Director and President & CEO of the Company effective April 1, 2010. Further, Mr. Takashi Nagai and Mr. Masato Saito were appointed as Directors with effect from April 1, 2010 to fill up the casual vacancies caused by the resignations of Mr. M. Takedagawa and Mr. S. Mizusawa respectively.

Your Board recommends the appointments of Mr. T. Hamasaki as a Director and as President & CEO of the Company and of Mr. T. Nagai and Mr. M. Saito as Directors of the Company. Proposals for the appointment and remuneration of Mr. T. Hamasaki and for the appointments of Mr. T. Nagai and Mr. M. Saito are being put up for your approval.

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Dr. D. V. Kapur and Mr. O. P. Khaitan retire by rotation at the forthcoming Annual General Meeting ('AGM') and being eligible, offer themselves for re-appointment.

Brief resume of the above Directors, nature of their expertise in specific functional areas and the name of the Companies in which they hold the Directorship and the Chairmanship/Membership of the Committees of the Board, as stipulated under Clause 49 of the Listing Agreement of the Stock Exchanges, is given in the Notice convening the Annual General Meeting.

Necessary resolutions for the appointment / re-appointment of the aforesaid Directors have been included in the Notice convening the Annual General Meeting. None of the Directors of the Company are disqualified for being appointed as Director as specified in section 274(1)(g) of the Companies Act, 1956.

AUDITORS

The Notes on Accounts referred to in the Auditor's Report are self-explanatory and do not call for any further comments.

M/s. B S R & Company, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the forthcoming AGM and are recommended for re-appointment. The Company has received a certificate from them to the effect that their re-appointment, if made, would be within the prescribed limits specified under Section 224(1B) of the Companies Act, 1956.

Your Company has further ensured that the Auditors have been subjected to the 'Peer Review Process' of The Institute of Chartered Accountants of India.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm as under:

1. That in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
2. That the accounting policies selected and applied are consistent and the judgements 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 of the profit or loss of the Company for that period;
3. That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the annual accounts have been prepared on a going concern basis.

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, the particulars of employees are required to be furnished in statement to be annexed to this Report. However, as per the provisions of Section 219(1)(b)(iv) of the said Act, the report and accounts are being sent to all the Shareholders excluding the aforesaid Annexure.

The complete annual report including this statement shall be made available for inspection by any shareholder during working hours for a period of 21 days before the date of the Annual General Meeting. Any member interested in obtaining the copy of the statement may write to the Company Secretary at Registered Office of the Company.

CORPORATE GOVERNANCE

A separate section on Corporate Governance is annexed to this report as **Annexure-C**.

A certificate from a Practicing Company Secretary on compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with Stock Exchanges is annexed as **Annexure-F**.

CODE OF CONDUCT AND ETHICS

The Board of the Company has adopted a Code of Conduct and Ethics for the Directors and Senior Executives of the Company. The object of the Code is to conduct the Company's business ethically and with responsibility, integrity, fairness, transparency and honesty. The Code sets out a broad policy for one's conduct in dealing with the Company, fellow Directors and Employees and with the environment in which the Company operates. The Code is available on the Company's Corporate website (www.hondasielpower.com). A declaration signed by President & CEO of the Company with regard to the compliance with the Code by the Members of the Board and Senior Executives is annexed as **Annexure -D** and forms part hereof.

SHIFTING OF REGISTERED OFFICE OF THE COMPANY FROM THE STATE OF UTTAR PRADESH TO THE NATIONAL CAPITAL TERRITORY OF DELHI

Your Company has shifted its Registered office from the State of Uttar Pradesh to the National Capital Territory of Delhi, after taking necessary approvals from concerned Authorities.

CONSOLIDATION OF MANUFACTURING FACILITIES FROM RUDRAPUR TO GREATER NOIDA

Successful shifting of the manufacturing facility from Rudrapur to Greater Noida has been achieved by way of signing of Memorandum of Settlement between the Company and Workers' Representatives on August 25, 2009. The Industrial Tribunal had accordingly passed an award based on the said settlement which was notified in the official gazette.

As per the agreement, a voluntary retirement scheme (VRS) had been offered to all the workers of the Rudrapur factory. Significant majority of the workers of Rudrapur factory had opted for the said VRS scheme and had not resumed services at the Greater Noida factory. All claims and dues of such workers have been settled.

All required machines have been shifted from Rudrapur to Greater Noida unit and have been commissioned. Consequently, full production has commenced at the Greater Noida factory from November 2009 onwards.

With this, the consolidation of operation has been successfully completed.

MANAGEMENT DISCUSSION & ANALYSIS

Management Discussion and Analysis Report is annexed as **Annexure-B**.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER 31ST MARCH 2010

There were no material changes and commitments affecting the financial position of the company after 31st March 2010.

ACKNOWLEDGEMENTS

Your Directors wish to thank and acknowledge with gratitude the co-operation, assistance and support received from the Central Government, State Governments of Uttar Pradesh, Uttarakhand and Puducherry, Company's Bankers, Shareholders, Dealers, Vendors, Indian and Japanese Promoters of the Company and other Business Associates in the Management of affairs of the Company.

The Directors also wish to place on record their sincere appreciation of the contribution made by every employee of the Company.

On behalf of the Board

New Delhi
May 21, 2010

Siddharth Shriram
Chairman

ANNEXURE- A TO DIRECTORS' REPORT**DISCLOSURE UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988****A. CONSERVATION OF ENERGY**

Your Company strives to make all the working places including manufacturing plants and offices energy efficient to the extent possible and continually reviews various ways to conserve energy.

(a) Energy conservation measures taken :

The Company is committed towards the protection of the environment and safety. All the employees make efforts in daily operation in controlling emissions, effluents, waste disposal arising out of manufacturing processes, product and services as per the predefined norms. Environmental improvements were achieved by completing following actions:

- Ensuring cleaner environment by Retrofitting of gas fired burners in existing High Speed Diesel (HSD) fired melting cum holding furnace.
- Installation of T-5 lighting fixtures in place of mercury vapor lamp fixtures in Plant.
- The products manufactured by the company comply with air emission and noise regulation notified by the Ministry of Environment and Forests (MOEF). The 'Confirmation of Production' (COP) to the air emission and noise regulation is done as laid down by MOEF.

Following energy conservation measures were taken to reduce the energy consumption by:

- Retrofitting of gas fired burners in existing HSD fired melting cum holding furnace for ensuring better combustion efficiency.
- Improving productivity after consolidation of manufacturing activities at Greater Noida.
- Replacement of all CRT monitors with TFT monitors

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

Following actions are proposed to be taken for energy conservation in the year 2010-11:

- Replacement of HSD fired melting furnace and electrically heated holding furnace in two Pressure Die Casting (PDC) machines by Gas fired Melting cum holding furnace.
- To conduct Energy Audit through external agency and implement actions based on audit findings.
- Synchronisation of Diesel Generator (D.G.) sets for optimizing fuel efficiency of D.G sets.
- Installation of latest state of art technology energy efficient compressors.
- Change of lighting fixtures in office.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods :

Above actions resulted in reduction in energy consumption. There was 22% reduction in Electricity energy consumption per unit production during the year 2009-10 vis-à-vis 2008-09, being approximately 12% due to increased efficiency after consolidation of Manufacturing Facilities at Greater Noida and approximately 10% due to temporary outsourcing of the components in Sheet Metal, Alternator, Crank Shaft etc. The thermal energy of fuel consumed in burners per unit production for the year 2009-10 was 11.76% lower than the previous year 2008-09 due to increased efficiency of burners. The focus is continuing and is expected to reduce further.

(d) Total energy consumption and energy consumption per unit of production.

FORM - A

Disclosure of particulars with respect to Conservation of Energy

Particulars	Unit	Current Year 2009-10	Previous Year 2008-09
A. Power and Fuel Consumption			
1. Electricity			
(a) <u>Purchased</u>			
Quantity	Kwh	36,11,424	24,45,059
Total Amount	Rs. (Lacs)	153.50	108.56
Rate / Unit	Rs./Kwh	4.25	4.44
(b) <u>Own Generation</u>			
(i) Through diesel generator			
Quantity	Kwh	5,20,269	5,25,890
HSD Qty	Ltr	2,30,331	2,90,281
Unit per ltr of diesel oil	Kwh/Ltr	2.26	1.81
Cost / Unit		13.80	17.65
(c) <u>Furnace HSD consumption</u>	Ltr	2,48,783	3,02,678
(d) <u>Furnace LPG consumption</u>	Kg	1,73,877	N.A.
2. Coal (specify quantity & where used)		N.A.	N.A.
Quantity (tonnes)			
Total Amount			
Average Rate			
3. Furnace Oil		N.A.	N.A.
Quantity (k. ltrs.)			
Total Amount			
Average Rate			
4. Others / internal generation		N.A.	N.A.
Quantity			
Total Cost			
Rate / Unit			
B. Consumption per unit of Production			
Production unit	No.	1,83,855	1,02,884
Electricity	Kwh/Unit	22.47	28.88
Furnace oil		Nil	Nil
Coal		Nil	Nil
HSD used in Burners of furnace	Ltr/Unit	1.35	2.94
LPG used in Burners of Boiler / furnace	Kg/Unit	0.95	Nil

B. TECHNOLOGY ABSORPTION

FORM - B

Disclosure of particulars with respect to Technology Absorption

Research and Development (R&D)

1. *Specific areas in which R & D carried out by the Company*
 The Company has carried out work in the following areas:
 - Technology to run Water Pump set on LPG fuel.
 - Execution of indigenization of critical engine components through the process of data base generation.
 - Reduction in hazardous substances in product and process.
 - Safety enhancement in Alternator Technology by separation of AC/DC winding in Genset Models.
2. *Benefits derived as a result of the above R & D*
 - Clean Air Fuels such as LPG
 - Environment friendly products / processes
 - Cost competitiveness through localization
 - Increase in foreign exchange earnings by meeting specific requirements of various countries
3. *Future plans of action*
 - Continue the process of data generation for indigenization of critical engine components.
4. *Expenditure on R & D*
 - a) Capital : Nil
 - b) Recurring : Rs. 8.15 Lacs
 - c) Total : Rs. 8.15 Lacs
 - d) Total R & D expenditure as a percentage of total turnover : 0.03 %

Technology absorption, adaptation and innovation

1. *Efforts in brief, made towards technology absorption, adaptation and innovation.*

The Company has availed the services of technical specialists from the foreign collaborator who impart on job training and guidance to the Company's engineers and technicians.

To improve the manufacturing quality of inplant parts, new manufacturing facility has been added in the following area:

- Installation of new Paint Shop for liquid painting of Genset, Engine and Pump Parts.
- Replacement/ Reconditioning of old machine in the Crankshaft Line, Con Rod Line, Alternator and Weld Shop.
- Implementation of fuel efficient furnace in Paint Shop and Pressure Die Casting.

For giving guidance on specific matters related to indigenization, improvement of manufacturing method and quality, experts from Honda R & D, Japan are frequently visiting the Company.

As a result of above efforts, the Company has been able to develop:

- Noise Absorption technology
- Engine Technology for use of LPG
- G200 Engine for Boat Application for Export Market

2. *Benefits derived as a result of the above efforts*

The benefits derived relate to:

- Availability of super silent gensets meeting the noise regulations.
- Clean air fuels in manufacturing processes.
- Better fuel efficiency
- Elimination of Hazardous fumes by introduction of new machine in Alternator Shop.
- Automation of manual operations.
- Increase in production capacity.

3. *In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished*

a) Technology imported
 Manufacture of Portable Gensets, General Purpose Engines and Water Pumping Sets.

Technology to manufacture Pressure – Die – Casting parts of high quality

b) Year of import
 Technical Collaboration Agreement dated 18.10.1985 as renewed dated March 19, 2007 valid for a period of 5 years till March 31, 2012.

- c) Has technology been fully absorbed?

No, this is in the process of being absorbed gradually.

- d) If not fully absorbed areas where this has not taken place, reasons thereof and further plan of action

The technology absorption of manufacture of I.C. Engine and Engine based products such as Gensets, Water Pumping Sets and Sprayers has started about 18 years back. Technology is further to be absorbed for high technology Engine components for indigenization and in producing the country specific products/ models for International markets.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (a) **Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services; and export plans :**

- Explored Scope for LPG Water Pump Business in Indonesia.
- Sustained Genset Business in Middle East Markets.
- Tapped Water Pump Business potential in African and Middle East Markets.

- (b) **Total foreign exchange used and earned :**

The foreign exchange outgo was Rs. 7575.63 lacs on account of imports and payment of royalty, etc. as against foreign exchange inflow of Rs. 3951.7 lacs through exports.

MANAGEMENT DISCUSSION & ANALYSIS REPORT**DOMESTIC BUSINESS****GENSETS**

- Due to factory consolidation in 2009-10, full production could start only in second half of the year. Due to this, the volumes were 8% below last year's volumes.
- Your company is happy to share that its customers and channel partners reposed complete faith and commitment during the period the supplies were disturbed.
- To cater to the demand for higher rating models, in 2007-08 your company had launched a 5.5 KVA Super Silent, technologically advanced Inverter Generator through import under completely built unit (CBU) route. Despite the higher pricing but due to extensive applications, the product has started gaining acceptance in the commercial and institutional segments. Your Company is quite hopeful of establishing this model as a product with a difference.

Opportunities

- The Government focus on IT based projects such as E-Governance and computerization of schools provides opportunities for sales growth. Your company will continue with its efforts to leverage incremental business from such areas.

Concerns

- Kerosene availability continues to be difficult in some parts of the Country. The Company is promoting alternate fuel products such as LPG fuelled gensets to its customers.
- The higher cost of the imported CBU generator is limiting sales expansion in the 5.5 KVA segment.

Outlook

- In the country, power availability is short by about 13% and on a peaking basis by about 17%. This state of affairs is expected to continue. Besides this, robust economic growth has resulted in demand outstripping supply. Your company expects its genset business to continue to grow.

GENERAL PURPOSE ENGINES AND WATER PUMPING SETS

- Your company registered a growth of 136% in volume over last year in water pumps and engines business. The sales in this segment were the highest ever in the Company's history.
- Sales during the year were boosted by inadequate rainfall across the country. The Company's water pumps as well as engines for pumps were in huge demand. Sales were also helped by the Government commitment to support the farming community by offering subsidy for equipment purchases under the National Food Security Mission (NFSM) scheme. During the year, NFSM support was extended to more states and with coverage of additional crops. Business for water pumps was noteworthy in the Western and Eastern parts of the country.
- Your company also markets engines for usage as sprayers for horticulture applications. Apart from traditional markets of Jammu & Kashmir and Himachal Pradesh, the Company could also make inroads in Andhra Pradesh and Karnataka.

- Your company also expanded its reach by expanding its network in potential areas.

Opportunities

- The thrust in farm credit through banks and other land development schemes is expected to enable farmers to spend more on mechanized products including the company offerings of Water Pumps and Engines. Increasing scarcity of farm labour is also a factor for higher mechanization.
- Distribution Network upgradation and expansion to meet the market demand in potential areas.
- There is further opportunity available to maximize the Water Pump business by further reinforcing the distribution relationship with Usha International Limited.

Concerns

- The import of lightweight diesel Engine and petrol/kerosene Engines from China have continued to register growth. These Engines do not comply with the 'BIS' standards, and hence do not meet the criteria for Government subsidy sale or Bank Loans. In addition, these non compliant Chinese products are being marketed at very low prices.
- Kerosene availability in some rural markets continues to be a cause of concern for the farmers and can affect sale of kerosene based Pumps and Engines made by the Company. To overcome this issue, your Company has launched alternate fuel products such as LPG fuelled Water Pump.

Outlook

- The Government will continue with its support to the agriculture sector and farming community. Together with its channel expansion strategy, your Company will leverage the NFSM and other Government sponsored schemes for promoting business of its Pumps and Engines.
- With increasing urbanization, investments on farm mechanization and infrastructure development is rising significantly. The demand for engine based OEM (Original Equipment Manufacturer) appliances which promote mechanization will increase considerably. Your Company had created a new department to cater to this segment. The performance has been encouraging and this business segment is expected to be a growth pillar for your company's future business.

BRUSH CUTTERS

- Your Company launched Brush Cutters in the domestic market over three years ago. The product being imported on a CBU basis has been well accepted for its weeding application. The focus markets are the Southern and Western regions. The Sales volume registered a growth of 7% over the previous year.
- Your Company has aggressive plans for this product by reaching out to customers in the Northern and Eastern markets as well.

EXPORTS

- Sales registered a growth of 4% over the previous year.
- With normalization of production from the second half of the year, your company was able to maximize sales of generators to key markets in the Middle East and Latin America.
- Asia-Oceania continued to be the leading region for Engine business.

Concerns

- The current Engine range is based on side valve Engine based technology. There is an increasing trend of a complete shift to the advanced over head valve technology based Engines in the markets that your Company operates in.
- Appreciation of Indian Rupee against the US Dollar is impacting the margins of export business.

Outlook

- The company will persist with its strategy to promote the better realizing Generator business in the developing markets of Middle East, Latin America and Africa.

THREATS, RISKS AND CONCERNS

The Company has adequate risk management system in place. This is achieved by:

- Ensuring statutory compliances. This is monitored periodically by way of internal monthly meetings and status report submission after due verification by internal audit team at every Audit Committee Meeting and Board Meeting.
- Strategic planning for harmonious Industrial Relations. Continuous upgradation of employees is a vital component of Company's quality policy.
- Comprehensive securitization of all assets, adequate insurance coverage for all probable losses and for all concerned parties.
- IT data security and information pilferage have been secured vide adequate back up systems/ secured VPN (Virtual Private Network) and is under constant observation and up-gradation. This includes outsourcing of some of the critical activities to specialized and reputed third parties.

INTERNAL CONTROLS AND SYSTEMS

Your Company maintains an adequate and effective internal control system commensurate with its size and complexity. We believe that these internal control systems provide, among other things, a reasonable assurance that transactions are executed with due diligence followed by approvals as per delegations and that they are recorded in all material respects to permit preparation of financial statements in conformity with established accounting principles. The assets of your Company are adequately safe-guarded against significant misuse or loss. An independent internal audit function is an important element of your Company's internal control system. The internal control systems are supplemented through an extensive internal audit programme and periodic review by the Management and Audit Committee. To further appraise the internal control function, your Company avails services of outside experts from time to time.

FINANCIAL PERFORMANCE

During the year 2009-10 the net sale was Rs. 305.80 Cr. as against Rs. 231.41 Cr. in the previous year. This represents an impressive increase of 32% in terms of value over previous year. In terms of volume, the increase as compared to previous year was to the tune of 46%.

Profit Before Tax and Exceptional Items for the year was Rs. 39.61 Cr. as against Rs. 25.48 Cr. in 2009-10. This is an increase of 55% over previous year. However, due to exceptional items, which includes payment of VRS and other expenses relating to shifting of Rudrapur Plant to Greater Noida, the PBT has come down during the year to Rs. 19.56 Cr. against Rs. 24.28 Cr. during 2008-09.

HUMAN RESOURCES

As a strategic turn around, the Human Resource Management contributed to the accomplishment of organization-wide business plan and objectives for consolidation of manufacturing facilities of Rudrapur to Greater Noida Unit.

A bi-partite settlement with the Workers' Union was concluded in the month of August 2009. All the required machines were shifted from Rudrapur and were successfully commissioned at Greater Noida Unit. Majority of line associates applied for VRS and all payments were fully settled as per the agreed terms and conditions.

In order to achieve the mass production at Greater Noida from the month of November 2009 the required technically qualified line associates were recruited and were provided on the job training for effectively contributing in the manufacturing process.

The HR business objectives were established to support the attainment of the overall strategic business plan. To build employee ownership effective methods of goal setting, communication and empowerment through responsibility were fostered. The Human Resource Management initiated the process to establish the organizational culture and climate in which people have the competency, concern and commitment to serve. It shall provide employee development opportunities, employee assistance programs, and organization development interventions.

In order to efficiently imbibe the HONDA culture in all associates, the Human Resource Management focus is also on driving the Honda philosophy, Honda way of working and establishing Honda Corporate Governance. Being a responsible social corporate the company continues to contribute for social causes in its own possible way.

The Company as on 31st March 2010 had nine hundred and two employees.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could effect the Company's operations include significant changes in political and economic environment in India and key markets abroad, tax laws, litigation, labour relations and interest costs.

REPORT ON CORPORATE GOVERNANCE
1. Company's Philosophy on Code of Governance

Corporate Governance is a mechanism by which values, principles, management policies and procedures of a Company are made manifest in the real world. It involves a cohesive set of relationships among an organization's Board of Directors, its Management, its Shareholders and other stakeholders. In fact, good governance refers to the entire system by which a Company is managed and monitored, its corporate principles and guidelines and the system of internal and external controls. Honda SIEL Power Products Limited believes that governance principles is a state of mind, a self disciplining force and a set of principles to assure its owners that there is a well-performing Management in place and that the Company's assets are being put to proper use. In order to formalize and adopt the key factors of Corporate Governance, namely fairness, transparency, integrity, accountability and responsibility, your Company has established a set of internal policies, control and regulations, broadly described as corporate culture.

Your Company consistently endeavours to attain the highest standards of Corporate Governance by ensuring transparency in all its operations, disclosures and to maximize shareholders' value and places emphasis on business ethics. The Directors fully endorse and support the essentials of Corporate Governance and accordingly hereby give a report on Corporate Governance.

2. Board of Directors

The Board of Directors is at the core of Corporate Governance practices. Your Company believes that an active, independent and participative Board is a pre-requisite to achieve and maintain the desired level of Corporate Governance.

The Board of your Company is broad-based, consisting of eight members. The Board has an ideal composition. It consists of two Executive Directors and six Non-Executive Directors. Four Non-Executive Directors are independent i.e. they do not have any other material pecuniary relationship or transactions with the Company, its Promoters, its Management, which in the judgement of the Board may affect the independence of judgement of the Director. The Board Members possess the skills, experience and expertise necessary to guide the Company.

Brief particulars of the Directors who are being appointed/ re-appointed at the ensuing Annual General Meeting ('AGM'), nature of their expertise in specific functional areas and names of Companies in which they hold Directorship and Membership/Chairmanship of the Board Committees are provided in the notice convening AGM.

Board Meetings

During the year under review, six Board Meetings were held on June 11, July 15, September 07, October 24, 2009, January 28 and March 29, 2010. All statutory and other important items/ information were placed before the Board for approval/review.

The composition of the Board of Directors, attendance of the Directors at the Board Meetings and Annual General Meeting as also number of Directorships in Indian Public Limited Companies and Membership of the Committee (Audit and Shareholders Grievance Committee) of the Board of such companies are as follows:

Name of the Director	Category	Attendance at the last AGM	No. of Board Meeting(s) attended	No. of Directorship in other Companies	Number of Committee Membership including (Chairmanship)
Mr. Siddharth Shriram	ID/NED	Yes	6	4	2 (1)
Mr. J. Kobayashi*	Non ID/ ED	Yes	6	NIL	1
Dr. D. V. Kapur	ID/NED	Yes	6	5	6 (4)
Mr. O. P. Khaitan	ID/NED	Yes	6	8	10 (3)
Mr. R. V. Gupta	ID/NED	Yes	5	6	7 (3)
Mr. R. S. Bidesi	Non ID/ ED	Yes	6	NIL	1
Mr. Y. Watanabe	Non ID/ ED	Yes	5	NIL	NIL
Mr. M. Takedagawa	Non ID/ NED	Yes	2	2	1
Mr. S. Mizusawa	Non ID/ NED	No	NIL	NIL	NIL

ID- Independent Director

NED- Non- Executive Director

ED- Executive Director

Note:

- a) *Ceased to be a Director effective March 31, 2010.
- b) The Directorships held by Directors as mentioned above, do not include Alternate Directorship and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.
- c) In accordance with clause 49, Membership / Chairmanship of only the Audit Committee and Shareholders/Investors Grievance Committee of Public Limited Companies have been considered.
- d) None of the Directors is a member of more than 10 Board-level committees of Public Companies in which they are Directors, nor is Chairman of more than 5 such committees.

Dr. D. V. Kapur, Independent Director and Chairman of the Audit Committee attended the Annual General Meeting of the Company.

The Company does not pay any remuneration to its Non-Executive/ Independent Directors except Rs. 20,000 per meeting as sitting fees for attending meetings of the Board and of its Committees. No commission on the net profit of the Company is paid to any Director. There are no pecuniary relationships or transactions of the Non- Executive Directors vis-à-vis the Company.

As prescribed under the Companies Act, 1956 and Articles of Association of the Company, two third of the Directors of the Company are retiring Directors, of which one third retire every year and if eligible, offer themselves for re-appointment. The tenure of Whole-Time Directors is governed by their respective terms of appointment.

3. Committees of the Board

The Board has constituted four Committees of the Directors, namely:

- Audit Committee;
- Shareholders/Investors Relations Committee;
- Board Committee on Financial Matters and
- Remuneration Committee

Each of these Committees function within the defined terms of reference and the minutes of the Committee Meetings are put up to the Board for noting at the subsequent meeting. The details of Audit Committee, Shareholders/Investors Relations Committee, Board Committee on Financial Matters and Remuneration Committee are as follows:

i. Audit Committee

Majority of the Members of Audit Committee comprise of Independent Directors. Chairman of the Committee is an Independent Director. The Members have financial background and accounting knowledge. The powers and role of the Company's Audit Committee as stipulated by the Board are in accordance with the items listed in Clause 49 of the Listing Agreement and as per Section 292A of the Companies Act, 1956. The Committee is also responsible for reviewing the adequacy of internal control system and to ensure compliance thereof and adequate follow up actions are taken.

The Head of Finance & Accounts Department, Statutory Auditors and Internal Auditor attend the meetings of Audit Committee. Company Secretary acts as the Secretary to the Committee. During the financial year 2009-10, Audit Committee met four times on June 11, July 15, October 24, 2009 and January 28, 2010. Constitution of the Committee and attendance of the members at the meetings were as under:

Name of the Member	Status	No. of meetings attended
Dr. D.V. Kapur	Chairman	4
Mr. R.V. Gupta	Member	3
Mr. O.P. Khaitan	Member	4
Mr. M. Takedagawa	Member	NIL

ii. Shareholders/Investors Relations Committee

The Board has constituted Shareholders/Investors Relations Committee to approve the matters relating to transfer of shares, issue of duplicate share certificate on consolidation/splitting, transmission, transposition, rematerialisation of shares and on loss of share certificates and for review and redressal of investor grievances. Sufficient powers have been delegated to this Committee. The power of approving transfer of securities has been delegated to the Company Secretary of the Company.

The Committee met eight times during the year on June 11, July 08, August 10, September 26, October 24, December 15, 2009 and January 20 and February 04, 2010. Attendance of the Members at the meetings was as follows:

Name of the Member	Status	No. of meetings attended
Dr. D. V. Kapur	Chairman	8
Mr. Siddharth Shriram	Member	8
Mr. J. Kobayashi [#]	Member	8
Mr. R. S. Bidesi	Member	7

[#]Ceased to be a Member effective March 31, 2010.

Compliance Officer

Ms. Payal Chaddha, Company Secretary is the Compliance Officer for complying with the requirements of Securities & Exchange Board of India (Prohibition of Insider Trading) Regulation, 1992 and the Listing Agreement entered into with the Stock Exchanges.

Investor Grievance Redressal

As on March 31, 2010, your Company had 9690 investors. During the year under review, the status of complaints was as follows:

Particulars	Received	Redressed	Balance
Non-receipt of shares sent for Transfer/ Demat	01	01	NIL
Non – receipt/ Revalidation of Dividend Warrants	04	04	NIL
Others/Miscellaneous	01	01	NIL

iii. Board Committee on Financial Matters

The Board Committee on Financial Matters met four times during the year on June 13, August 10, October 05, 2009 and March 11, 2010. Attendance of the members at the meetings was as follows:

Name of the Member	Status	No. of meetings attended
Mr. J. Kobayashi*	Chairman	4
Mr. Siddharth Shriram	Member	3
Mr. R. S. Bidesi	Member	4

* Ceased to be a Member effective March 31, 2010.

iv. Remuneration Committee

The Committee comprises of three Non-Executive Independent Directors. The Committee was formed to review and approve the compensation payable to the Whole-Time Directors of the Company. While approving / recommending the remuneration, increment etc., it takes into account the financial position of the Company, industry trend, appointee's qualification, experience, past performance/remuneration, etc.

During the year, the Committee met two times on July 15, 2009 and March 29, 2010. The meetings were attended by all the Members. The Company Secretary acts as the Secretary of the Committee.

Attendance of the Members at the Meetings was as follows :

Name of the Member	Status	No. of meetings attended
Dr. D.V. Kapur	Chairman	2
Mr. Siddharth Shriram	Member	2
Mr. O.P. Khaitan	Member	2

Remuneration Policy

The remuneration payable to the Whole-Time Directors is decided by the Remuneration Committee. However, such remuneration is subject to the approval by the shareholders at the General Meeting and also subject to the approval of other authorities, as the case may be.

The remuneration is fixed considering various factors such as qualification, experience, expertise of the appointee and the prevailing remuneration in the corporate world, financial position of the Company etc. The remuneration structure of the Whole-Time Directors comprises of Basic Salary, Perquisites and Allowances, contribution to Provident Fund and other funds in accordance with the provisions of Companies Act, 1956.

Details of remuneration paid to Directors for the year 2009-10

A. Executive Directors

The details of the remuneration paid to the Whole-Time Director(s) during the year 2009-10 are as under:

Name	Salary (Amount in Rs. lacs)	Perquisites/ Retiral benefits (Amount in Rs. lacs)	Service Contract
Mr. J. Kobayashi	71.76	7.60	01.08.2007 to 30.03.2010
Mr. R. S. Bidesi	45.42	11.01	01.04.2009 to 31.03.2010
Mr. Y. Watanabe	58.91	6.21	01.01.2006 to 31.12.2010

No notice period and severance fee is applicable for the above mentioned Whole-Time Directors. The Company does not pay any performance linked incentive to its Whole-Time Directors. The Company has not offered any Stock Option Scheme so far.

B. Non-Executive Directors

Details of sitting fees paid during the year 2009-10 for attending the Meetings of Board of Directors and of its Committees were as under:

(Amount in Rs.)

Name of the Director	Board	Audit Committee	Shareholders/ Investors Relations Committee	Board Committee on Financial Matters	Remuneration Committee	Total
Mr. Siddharth Shriram	1,20,000	-	1,60,000	60,000	40,000	3,80,000
Dr. D. V. Kapur	1,20,000	80,000	1,60,000	-	40,000	4,00,000
Mr. O. P. Khaitan	1,20,000	80,000	-	-	40,000	2,40,000
Mr. R. V. Gupta	1,00,000	60,000	-	-	-	1,60,000

- Mr. M. Takedagawa, Director nominated by Honda Motor Co., Ltd., Japan submitted a letter of waiver for sitting fee of the Board and Committee thereof.
- No sitting fee was paid to Mr. S. Mizusawa, Director.

Equity shares of the Company held by the Non-Executive Directors

Mr. Siddharth Shriram, Chairman and Non-Executive Director holds 50 equity shares of the Company in his name. No other Non-Executive Director holds any equity shares of the Company.

4. General Body Meetings

The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Location	Special Resolution Passed
2008-09	September 07, 2009	1015 hours	Registered Office : Plot No.5, Sector 41 (Kasna), Greater Noida Industrial Development Area, Distt. Gautam Budh Nagar- 201306 (UP)	Approval for amendment / alteration in Articles of Association of the Company
2007-08	September 10, 2008	1130 hours		No special resolution was passed.
2006-07	July 26, 2007	1130 hours		No special resolution was passed.

Postal Ballot

During the year, the Company had conducted voting through Postal Ballot in accordance with Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 and the amendments thereto. Mr. Tanuj Vohra of M/s Tanuj Vohra & Associates, Company Secretaries acted as scrutinizer. The results were announced on 19th December 2009 and the voting pattern of the same is as under :

Description of Resolution	Special Resolution for shifting of Registered Office of the Company from the State of Uttar Pradesh to National Capital Territory of Delhi and Alteration of Clause II of the Memorandum of Association of the Company.		
	No. of Postal Ballot Forms	No. of Shares	% of Total valid votes
1 Number of valid postal ballot forms received	282	75,20,952	100%
2 Votes in favour of the resolution(No. of Shares)	280	75,20,801	99.99%
3 Votes against the Resolution (No. of Shares)	2	151	00.01%
4 Number of non-responsive / postal ballot forms	Nil	NA	NA
5 Number of invalid postal ballot forms received	Nil	NA	NA
6 Result	Carried with requisite majority		

5. Subsidiary Companies

The Company does not have any subsidiary Company.

6. Disclosures

- (i) Related parties and transactions with them as required under Accounting Standard 18 (AS –18) are furnished under paragraph 13 of Schedule 12 –Significant Accounting Policies and Notes to Accounts, annexed with the financial statement for the year ended March 31, 2010.
- (ii) The above transactions have no potential conflict with the interest of the Company.
- (iii) Risk Management–The Board has laid down and approved adequate procedures for management and minimization of risk.
- (iv) The financial statements are made in accordance with the Companies (Accounting Standards) Rules, 2006.
- (v) There have not been any non-compliances, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any other authorities, on any matters relating to capital markets during the last three years.
- (vi) The Company has not adopted any of the non-mandatory requirements, except constitution of the Remuneration Committee as mentioned in Annexure ID of Clause 49 of the Listing Agreement.

7. Means of Communication

1. The Company has published the annual results (year ended March 31, 2009), quarterly results (quarter ended June 30, 2009 and December 31, 2009) and the half yearly results (period ended September 30, 2009) in English and Hindi language newspapers.
2. The results of the Company are also displayed on the Company's website www.hondasielpower.com. The Company's website also displays the official news releases.
3. No presentations were made by the Company to the Analysts during the year.
4. Annual Report containing inter-alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to Members and others entitled thereto. The Management Discussion & Analysis Report forms part of this Annual Report and is provided elsewhere in this Annual Report.

8. General Shareholders' Information

i. 25th Annual General Meeting

Day, Date & Time	:	Thursday, August 19, 2010, 10:15 A.M.
Venue	:	Kamani Auditorium, 1, Copernicus Marg, New Delhi - 110 001
Financial Year	:	Year Ended March 31, 2010
Book Closure	:	August 13, 2010 to August 19, 2010 (both days inclusive)
Dividend Payment Date	:	August 31, 2010

ii. Tentative Financial Calendar 2010-11

(Subject to change)

The tentative dates for approval of Unaudited / Audited Financial Results for 2010 - 11 are as follows :

Quarter ending June 30, 2010	2 nd week of August, 2010
Quarter ending September 30, 2010	2 nd week of November, 2010
Quarter ending December 31, 2010	2 nd week of February, 2011
Quarter ending March 31, 2011	Last week of April, 2011 (Unaudited) / Last week of May 2011 (Audited)

iii. Dividend Details

Unclaimed dividends upto financial year 1994-95 have been transferred to the General Revenue Account of the Central Government and for the financial years 1995-96 to 2001-02 (Final Dividend) to Investor Education and Protection Fund constituted by the Central Government. Details of unclaimed dividend as on March 31, 2010 are given hereunder:

Period	Rate (%)	Date of declaration	Date of payment	Unclaimed dividend (Rs.)
2002-2003 (I) *	40	13.03.2003	27.03.2003	3,40,335.76
2002-2003 (F) **	40	13.08.2003	02.09.2003	2,78,714.00
2003-2004	40	29.09.2004	12.10.2004	3,32,493.00
2004-2005	30	26.07.2005	16.08.2005	2,61,817.00
2005-2006	40	27.07.2006	05.08.2006	3,58,736.00
2006-2007	40	26.07.2007	01.08.2007	3,21,724.00
2007-2008	40	10.09.2008	16.09.2008	3,25,577.00
2008-2009	40	07.09.2009	18.09.2009	4,18,992.00

* Interim Dividend (I)

** Final Dividend (F).

iv. Listing on Stock Exchanges and Stock Codes

The names and addresses of the Stock Exchanges at which the equity shares of the Company are listed and the respective stock codes are as under:

Name & Address of the Stock Exchange	Stock Code
Bombay Stock Exchange Limited (BSE) Phiroze Jeejeebhoy Towers, 25 th Floor, Dalal Street, Fort, Mumbai – 400 001.	522064
The National Stock Exchange of India Ltd. (NSE) 5 th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai-400 051	HONDAPOWER
* The Calcutta Stock Exchange Association Ltd., 7, Lyons Range, Kolkata – 700 001.	29024

* The application for voluntary de-listing has been pending with The Calcutta Stock Exchange Association Ltd. since September 2003 and is awaiting confirmation.

Listing fees for the year 2010 -2011 has since been paid to BSE and NSE.

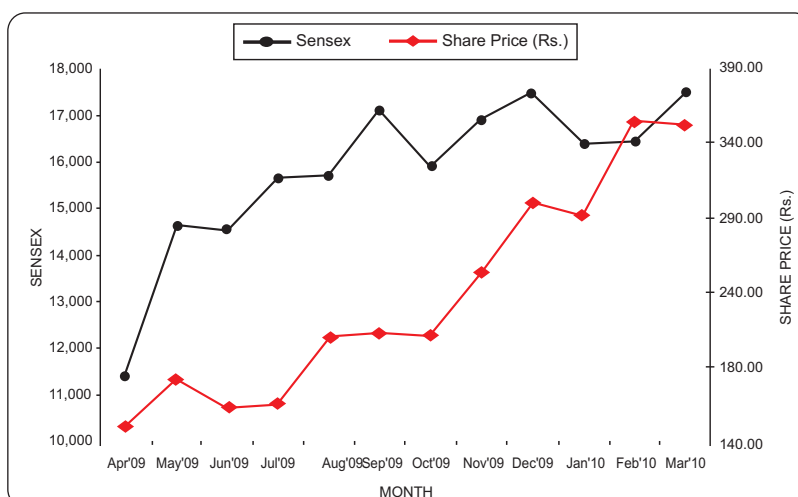
v. Stock Market Data

Monthly high and low quotations as well as the volume of shares traded at BSE and NSE were as under:

(Amount in Rs./Share)

Month (s)	BSE			NSE		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
April 2009	161.00	133.65	26529	156.80	132.00	13658
May 2009	194.00	147.50	56439	199.00	144.90	25458
June 2009	197.40	155.65	44546	198.00	147.00	33365
July 2009	174.00	146.15	139198	174.00	142.45	256033
August 2009	230.00	165.00	163343	231.05	165.25	181796
September 2009	229.25	183.00	183695	231.25	183.30	300929
October 2009	222.00	195.00	92212	237.00	195.15	87506
November 2009	268.00	202.10	231369	268.50	201.70	384392
December 2009	303.90	243.55	158991	303.75	238.55	136197
January 2010	326.95	272.30	296356	328.00	274.00	488343
February 2010	408.20	299.00	351333	409.80	297.95	448639
March 2010	381.50	349.05	129875	381.00	346.00	45233

vi. Sensex Vs. Honda Siel Power Products' Share Price



vii. Registrar and Share Transfer Agents

The Company has appointed M/s Mas Services Ltd., as its Registrar and Share Transfer Agents (RTA). Share transfer in physical form and other communications regarding shares, dividends, change in address, etc. may be addressed to:

Mr. Narender Rastogi
 Mas Services Limited
 Unit: Honda Siel Power Products Limited
 T-34, 2nd Floor, Okhla Industrial Area, Phase - II,
 New Delhi -110 020
 Ph:- 011-26387281/82/83 Fax:- 011-26387384
 email:- info@masserv.com website : www.masserv.com

viii. Investors' Service and Share Transfer System

The Company has a system of attending to and redressing all investors' related grievances/correspondences within a period of 7 to 15 days from the date of receipt of the same. The investors can personally contact or send their grievance/correspondence either to RTA at their address or to the Secretarial Department of the Company at the following address:

Honda Siel Power Products Limited,
 Secretarial & Legal Department
 Plot No. 5, Sector 41 (Kasna), Greater Noida Industrial Development Area,
 Distt. Gautam Budh Nagar, UP -201 306.
 Phone Nos. 0120-2341055-59; Email-ho.legal@hspp.com

The shares for transfer received in physical mode by the Company/RTA, are transferred expeditiously, provided that the documents are complete and ownership of shares under transfer is not under dispute. The share certificates duly endorsed are returned immediately. Confirmation in respect of the request for dematerialisation of shares is sent to the respective depositories, NSDL/CDSL within 15 days. The Company obtains a certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement on half yearly basis from a Company Secretary in practice and files a copy of the certificate with the Stock Exchanges.

ix. Distribution of shareholding as on March 31, 2010

No. of Equity Shares held	Folios		Shares	
	Numbers	%	Numbers	%
Upto 5000	8888	91.72	880340	8.68
5001-10000	464	4.79	333327	3.29
10001-20000	201	2.07	288863	2.85
20001-30000	43	0.44	111054	1.09
30001-40000	17	0.18	57708	0.57
40001-50000	12	0.12	55360	0.54
50001-100000	32	0.33	238311	2.35
100001 and above	33	0.34	8178108	80.63
Total	9690	100	10143071	100

x. Pattern of shareholding as on March 31, 2010

Categories	No. of Shares	Shareholding (%)
Promoters	6863433	67.67
Companies	954576	9.41
NRI's, FII's, OCBs etc.	138115	1.36
Mutual Funds, Banks, FIs	44286	0.44
Individuals and HUF, etc.	2142661	21.12
Total	10143071	100

xi. Dematerialization of shares and liquidity

30.39% of total equity capital is held in dematerialised form with NSDL and CDSL as on March 31, 2010. During the year 475 share certificates involving 17,123 shares were dematerialized by the shareholders representing 0.17% (last year 0.11%) of the total share capital of the Company.

Demat ISIN in NSDL and CDSL : INE634A01018

xii. The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments.

xiii. Plant locations

- 1) Plot No. 5, Sector 41 (Kasna), Greater Noida Industrial Development Area, Distt. Gautam Budh Nagar, UP -201 306.
- 2) Plot Nos. B-16 and B-30 & B-31, PIPDIC Industrial Estate, Sedarapet, Puducherry -605 111.

xiv. Information pursuant to Clause 49 IV (G) (i) of the Listing Agreement

Information pertaining to particulars of Directors to be appointed and re-appointed at the forthcoming Annual General Meeting is being included in the Notice convening the Annual General Meeting.

9. Quarterly Compliance Report

The Company has been submitting the Compliance Report on Corporate Governance on quarterly basis to the Stock Exchanges within 15 days from the close of the relevant quarter.

10. Compliance with Code of Conduct

A declaration by the President & CEO that all Directors and Senior Management personnel have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2010 is annexed as **Annexure -D**.

11. CEO/CFO CERTIFICATION

In terms of Clause 49 of the Listing Agreement, the Board of Directors have reviewed the certificate submitted by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company certifying various covenants about financial/ cash flow statements, internal controls, financial reporting, etc. and is annexed as **Annexure -E** and forms part hereof.

12. Compliance Certificate of Practicing Company Secretary

The Company has obtained a Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement. The Certificate is annexed as **Annexure-F**.

Annexure D to Directors' Report

CERTIFICATE AND DECLARATION

I, T. Hamasaki, in my capacity as President & CEO of Honda Siel Power Products Limited do hereby confirm and declare to the best of my knowledge and belief that the Company has complied with the provisions of Code of Conduct of the Company, for the year ended March 31, 2010, as stipulated under Clause 49 of the Listing Agreement.

This declaration has been issued on the basis of acknowledgement and confirmation, with respect to the compliance with the provisions of Code of Conduct of the Company, received from respective members of Board of Directors, Senior Management including functional Heads of the Company.

For Honda Siel Power Products Limited

**T. Hamasaki
President & CEO**

Annexure E to Directors' Report**CERTIFICATE**

We, T. Hamasaki, President & CEO and Vinay Mittal, Chief Financial Officer of Honda Siel Power Products Limited hereby declare, confirm and certify as under:

- (a) We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and shall disclose to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps to be taken to rectify these deficiencies.
- (d) We indicated to the Auditors and the Audit Committee
 - i) Significant changes in internal control, if any over financial reporting, during the year.
 - ii) Significant changes in accounting policies, if any, during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

This certificate has been issued in compliance with the provisions of Clause 49 of the Listing Agreement.

For Honda Siel Power Products Limited,

Vinay Mittal
Chief Financial Officer

T. Hamasaki
President & CEO

Annexure F to Directors' Report**CERTIFICATE**

To the Members of Honda Siel Power Products Limited,

I have examined the compliance of conditions of Corporate Governance by Honda Siel Power Products Limited for the year ended March 31, 2010 as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements. I state that no investor grievance was pending for a period exceeding one month against the Company as per the records maintained by Shareholders'/Investors' Relations Committee.

I further state that such compliance is neither an assurance as to the future viability of the Company nor its efficiency or effectiveness with which the Management has conducted the affairs of the Company.

New Delhi,
May 6, 2010.

(T.V. NARAYNASWAMY)
COMPANY SECRETARY
Membership No.: CP-203

AUDITORS' REPORT

To The Members of Honda Siel Power Products Limited

- a) We have audited the attached Balance Sheet of Honda Siel Power Products Limited ("the Company") as at 31st March 2010 and also the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, (or "financial statements"), annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- b) We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
- c) As required by the Companies (Auditor's Report) Order, 2003 ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- d) Further to our comments in the Annexure referred to above, we report that:
- (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (iv) in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) on the basis of written representations received from the Directors of the Company as on 31 March 2010 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31 March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i) in the case of the Balance Sheet, of the state of the affairs of the Company as at 31 March 2010;
 - ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **B S R & Co.**
Chartered Accountants
Firm Registration No. 101248W

Vikram Aggarwal
Partner
Membership No. 089826

Place : New Delhi
Date : 21 May 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) As explained to us, the Company has a programme of physical verification of its fixed assets in a phased manner over a period of three years. In accordance with this programme during the current year, physical verification of certain fixed assets has been carried out by the Company. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
2. (a) Inventories, except stock-in transit, have been physically verified by management during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained.
(b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) In our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. According to the information and explanations given to us, the Company has neither granted nor taken any loans, secured or unsecured to or from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods sold and services rendered are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
(b) In our opinion, and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 lacs are for sale of certain goods and services for the specialised requirements of the buyer and for which suitable alternative sources are not available to obtain comparable quotations. Hence it is not possible for us to comment whether above contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 in respect of its products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
9. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Wealth tax, Excise duty, Service tax, Customs duty, Cess and other material statutory dues have been regularly deposited with the appropriate authorities. Sales tax, Entry tax and Professional tax have generally been regularly deposited with the appropriate authorities though there has been slight delay in a few cases.

There were no dues on account of cess under section 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Customs duty, Excise duty, Cess and other material statutory dues were in arrears as at 31 March 2010 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Wealth Tax, Cess and Customs Duty which have not been deposited with the appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income-tax, Sales tax, Service tax and Excise duty have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of dues	Amount (Rs. in Lakhs)*	Period to which amount relates	Forum where dispute is pending/Remarks
Income tax Act , 1961	Penalty	36.89	1995-1996	Commissioner of Income tax (Appeals)
	Various disallowances	125.94	1998-1999	Commissioner of Income tax (Appeals)
	Various disallowances	10.93	2001-2002	Income Tax Appellate Tribunal
	Various disallowances	43.45	2002-2003	Income Tax Appellate Tribunal
	Various disallowances	164.11	2002-2003	Commissioner of Income Tax (Appeals)
	Various disallowances	259.53	2003-2004	Commissioner of Income Tax (Appeals)
	Various disallowances	142.44	2003-2004	Income Tax Appellate Tribunal
	Various disallowances	238.76	2004-2005	Commissioner of Income Tax (Appeals)
	Various disallowances	377.44	2005-2006	Commissioner of Income Tax (Appeals)
Various Sales Tax Acts	Disputes in sales tax rates	31.76	1999-2000 2000-2001	High Court
	Non- submission of forms	4.75	1988-1989	High Court. Sales Tax Authorities have filed the appeal
	Other disallowance	2.66	1999-2000	High Court
	Dispute on enhancement of sales and rejection of stock transfer	33.44	2000-2002 2005-2006	Sales Tax Tribunal
	Dispute on sales tax rates	21.66	2007-2008	Sales Tax Tribunal
	Various disallowances	7.70	2004-2005 2005-2006	Joint Commissioner (Appeals)
	Non Submission of sales tax forms and rejection of stock transfer	17.69	2001-2004	Dy. Commissioner (Appeals)
	Dispute due to sales tax rates	21.19	2002-2003	Asstt. Commissioner (Assessment)
	Non submission of sales tax forms	42.62	2006-2007	Joint Commissioner
Central Excise Act, 1944	Inclusion of expenses in assessable value	98.13	2000-2003 2004-2006	Customs Excise Service Tax Appellate Tribunal. The Company has got stay from the Appellate Authority
	Inclusion of expenses in assessable value	8.88	2000-2003	Customs Excise Service Tax Appellate Tribunal
	Penalty	21.58	2004-2007	Customs Excise Service Tax Appellate Tribunal. Department has filed the appeal
	Other disallowances	2.31	2003-2004	Customs Excise Service Tax Appellate Tribunal
	Wrong availment of Cenvat credit	145.32	2002-2003	Joint Commissioner (Appeals). Department has filed the appeal
	Various disallowances	4.12	2004-2005 2006-2007	Commissioner / Asstt. Commissioner
	Disputes on differential duty	211.67	2002-2003	Supreme Court – Department in Appeal
Service Tax	Service Tax on royalty	75.40	1999-2004	Customs Excise Service Tax Appellate Tribunal. The Company has got stay from the Appellate Authority
	Service Tax on Goods Transport	1.55	1997-1998	Customs Excise Service Tax Appellate Tribunal
	In-eligibility of Cenvat Credit	6.65	2005-2007	Customs Excise Service Tax Appellate Tribunal. Department has filed the appeal

* Includes penalty wherever indicated in the order

10. The Company does not have any accumulated losses and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company did not have any outstanding debentures or any outstanding loans from any financial institution during the year.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi / mutual benefit fund / society.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. According to the information and explanations given to us, no term loan has been taken by the Company during the year.
17. According to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis have not been used for long-term investment.
18. The Company has not made any preferential allotment of shares during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year.
21. According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **B S R & Co.**
 Chartered Accountants
 Firm Registration No. 101248W
Vikram Aggarwal
 Partner
 Membership No. 089826

Place : New Delhi
 Date : 21 May 2010

BALANCE SHEET AS AT 31 MARCH 2010

(Rs. Lakhs)

Particulars	Schedule No.	As at 31 March 2010	As at 31 March 2009
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	1,014.31	1,014.31
Reserves and surplus	2	19,220.98	18,426.67
		20,235.29	19,440.98
Deferred tax liability (Net)		-	232.02
(Refer to Note 12 of Schedule 12)			
		20,235.29	19,673.00
APPLICATION OF FUNDS			
Fixed assets			
Gross block	3	14,829.94	14,456.46
Less: Depreciation		8,487.89	8,325.10
Net block		6,342.05	6,131.36
Add : Capital work in progress		343.83	358.57
		6,685.88	6,489.93
Deferred tax asset (Net)		193.62	-
(Refer to Note 12 of Schedule 12)			
Current assets, loans and advances			
Inventories	4	4,730.48	5,741.80
Sundry debtors		1,532.68	844.25
Cash and bank balances		10,085.93	8,313.45
Other current assets		90.17	106.50
Loans and advances		1,897.46	1,680.43
		18,336.72	16,686.43
Less: Current liabilities and provisions	5	4,270.77	2,795.81
Current liabilities		710.16	707.55
Provisions			
		4,980.93	3,503.36
Net current assets		13,355.79	13,183.07
		20,235.29	19,673.00
Significant accounting policies and notes to accounts	12		

The schedules referred to above form an integral part of the Balance Sheet.

As per our report of even date

 For **B S R & Co.**

Chartered Accountants

Firm Registration No. : 101248W

Vikram Aggarwal

Partner

Membership No. : 089826

Place : New Delhi

Date : 21 May 2010

For and on behalf of the Board

Siddharth Shriram

Chairman

D.V. Kapur

Director

O.P. Khaitan

Director

T. Hamasaki

President & CEO

Y. Watanabe

Vice President &

Whole Time Director

Vinay Mittal

Chief Financial Officer

Payal Chaddha

Company Secretary

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

(Rs. Lakhs)

Particulars	Schedule No.	Year ended 31 March 2010	Year ended 31 March 2009
INCOME			
Gross sales		32,013.08	24,843.08
Less : Excise duty		<u>1,433.03</u>	<u>1,702.30</u>
Net sales		30,580.05	23,140.78
Job work charges (Gross)*		261.15	210.95
Other income	6	885.76	1,374.18
		<u>31,726.96</u>	<u>24,725.91</u>
* Income tax deducted at source Rs 5.85 lakhs (Previous year Rs 5.16 lakhs)			
EXPENDITURE			
Material cost	7	19,517.71	14,974.39
Personnel cost	8	2,485.11	2,275.73
Other expenses	9	5,001.90	4,328.14
Depreciation	3	742.81	579.01
Financial charges	10	18.63	20.87
		<u>27,766.16</u>	<u>22,178.14</u>
Profit before tax and exceptional items		3,960.80	2,547.77
Less: Exceptional items	11	2,004.46	119.37
Profit before tax		1,956.34	2,428.40
Less: Provision for taxation			
- Current tax		1,113.00	764.00
- Deferred tax (release) / charge		(425.64)	58.00
- Fringe benefit tax		-	42.00
Profit after tax		1,268.98	1,564.40
Balance brought forward		7,256.36	6,323.63
Amount available for appropriation		<u>8,525.34</u>	<u>7,888.03</u>
Appropriations			
Proposed dividend		405.72	405.72
Corporate dividend tax		68.95	68.95
General reserve		127.00	157.00
Balance carried to balance sheet		<u>7,923.67</u>	<u>7,256.36</u>
Basic and diluted earnings per share (face value Rs. 10 each) in Rupees	12 (15)	12.51	15.42
Significant accounting policies and notes to accounts	12		

The schedules referred to above form an integral part of the profit & loss account.

As per our report of even date

For B S R & Co.
Chartered Accountants
Firm Registration No. : 101248W

Vikram Aggarwal
Partner
Membership No. : 089826

For and on behalf of the Board

Siddharth Shriram Chairman
D.V. Kapur Director
O.P. Khaitan Director
T. Hamasaki President & CEO
Y. Watanabe Vice President &
Whole Time Director

Place : New Delhi
Date : 21 May 2010

Vinay Mittal
Chief Financial Officer

Payal Chaddha
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

(Rs. Lakhs)

Particulars	Year ended 31 March 2010	Year ended 31 March 2009
A. CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX	1,956.34	2,428.40
ADJUSTMENTS FOR :		
Depreciation	742.81	579.01
Interest income	(626.84)	(945.67)
Profit on sale of fixed assets	(45.06)	(1.57)
Loss on sale of fixed assets	7.54	0.93
Provision for compensated absences	(20.31)	3.86
Unrealised Exchange (gain)/loss	6.07	4.71
Provision for gratuity	(3.89)	5.77
Provision for slow moving inventory	11.76	14.43
Liabilities no longer required written back	(61.07)	(181.62)
Interest expenditure	3.18	5.93
OPERATING PROFIT BEFORE WORKING	1,970.53	1,914.18
CAPITAL CHANGES		
ADJUSTMENTS FOR :		
Decrease/(Increase) in inventories	999.56	(1,632.17)
Decrease/(Increase) in trade / other receivables	(799.84)	868.38
(Decrease)/Increase in trade / other payables	1,510.79	(949.81)
CASH GENERATED FROM OPERATIONS	3,681.04	200.58
Direct taxes paid	(1,229.66)	(803.97)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES (A)	2,451.38	(603.39)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(983.25)	(2,454.91)
Sale of fixed assets	143.63	2.24
Interest received	643.17	1,050.37
NET CASH USED IN INVESTING ACTIVITIES (B)	(196.45)	(1,402.30)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from short term borrowings	2,550.00	2,925.00
(Repayment) from short term borrowings	(2,550.00)	(2,925.00)
Interest paid on loans	(3.18)	(5.93)
Dividend paid	(404.86)	(408.88)
Corporate dividend tax paid	(68.95)	(68.95)
NET CASH USED IN FINANCING ACTIVITIES (C)	(476.99)	(483.76)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)	1,777.94	(2,489.45)
Cash and cash equivalents at the beginning of period (Refer to Schedule 4)	8,313.45	10,802.87
Effects of exchange rate changes	(5.46)	0.03
Cash and cash equivalents at the end of period (Refer to Schedule 4)	10,085.93	8,313.45

- The above Cash Flow Statement has been prepared under the indirect method set out in Accounting Standard 3 "Cash Flow Statement".
- Cash and cash equivalents include pledged fixed deposits, unclaimed dividends and margin accounts Rs. 62.31 lakhs (Previous year Rs. 55.84 lakhs) which are not available for use by the Company.

As per our report of even date

 For B S R & Co.
 Chartered Accountants
 Firm Registration No. : 101248W

 Vikram Aggarwal
 Partner
 Membership No. : 089826

For and on behalf of the Board

Siddharth Shriram	Chairman
D.V. Kapur	Director
O.P. Khaitan	Director
T. Hamasaki	President & CEO
Y. Watanabe	Vice President & Whole Time Director

 Place : New Delhi
 Date : 21 May 2010

 Vinay Mittal
 Chief Financial Officer

 Payal Chaddha
 Company Secretary

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. Lakhs)

Particulars	As at 31 March 2010	As at 31 March 2009
Schedule 1 : SHARE CAPITAL		
Authorised		
15,000,000 (Previous year 15,000,000) equity shares of Rs.10 each	<u>1,500.00</u>	<u>1,500.00</u>
Issued		
10,144,000 (Previous year 10,144,000) equity shares of Rs.10 each	<u>1,014.40</u>	<u>1,014.40</u>
Subscribed and paid up		
10,143,071* (Previous year 10,143,071*) equity shares of Rs.10 each	<u>1,014.31</u>	<u>1,014.31</u>
	<u><u>1,014.31</u></u>	<u><u>1,014.31</u></u>

* Of the above, 6,762,000 (Previous year 6,762,000) equity shares of Rs.10 each are held by Honda Motor Co. Ltd., Japan, the holding company, also being the ultimate holding company.

Particulars	As at 31 March 2009	Additions	Deductions	As at 31 March 2010
Schedule 2 : RESERVES AND SURPLUS				
Capital reserve				
- Capital investment subsidy	25.00	-	-	25.00
Share premium account	396.46	-	-	396.46
General reserve	10,748.85	127.00	-	10,875.85
Surplus in profit and loss account	7,256.36	667.31	-	7,923.67
	<u>18,426.67</u>	<u>794.31</u>	<u>-</u>	<u><u>19,220.98</u></u>

SCHEDULES FORMING PART OF THE ACCOUNTS
Schedule 3 : FIXED ASSETS

(Rs. Lakhs)

Description	Gross block (At cost)				Depreciation				Net block	
	As at 31 March 2009	Additions during the year	Deductions during the year	As at 31 March 2010	As at 31 March 2009	For the year	Deductions	As at 31 March 2010	As at 31 March 2010	As at 31 March 2009
Tangible assets										
Land - freehold #	19.80	-	-	19.80	-	-	-	-	19.80	19.80
- leasehold #	400.47	-	-	400.47	56.76	4.80	-	61.56	338.91	343.71
Buildings #	3,315.06	262.53	-	3,577.59	644.05	104.88	-	748.93	2,828.66	2,671.01
Plant and machinery # *	9,279.17	660.07	609.88	9,329.36	6,490.72	503.49	512.51	6,481.70	2,847.66	2,788.45
Furniture, fixtures and office equipment #	562.87	51.27	21.51	592.63	499.66	40.60	20.80	519.46	73.17	63.21
Vehicles	328.11	82.49	54.74	355.86	154.48	59.37	46.71	167.14	188.72	173.63
(A)	13,905.48	1,056.36	686.13	14,275.71	7,845.67	713.14	580.02	7,978.79	6,296.92	6,059.81
Intangible assets										
Technical know how	65.18	-	-	65.18	65.18	-	-	65.18	-	-
Model fee	272.52	-	-	272.52	249.76	9.10	-	258.86	13.66	22.76
Software	213.28	3.25	-	216.53	164.49	20.57	-	185.06	31.47	48.79
(B)	550.98	3.25	-	554.23	479.43	29.67	-	509.10	45.13	71.55
(A) + (B)	14,456.46	1,059.61	686.13	14,829.94	8,325.10	742.81	580.02	8,487.89	6,342.05	6,131.36
Previous year	11,351.23	3,123.25	18.02	14,456.46	7,762.51	579.01	16.42	8,325.10	6,131.36	-

Capital work in progress [including capital advances to suppliers Rs. 265.74 Lakhs (Previous year Rs. 174.14 lakhs)].

343.83

358.57

Notes

includes the following items retired from active use and held for disposal on account of shifting of Rudrapur factory to Greater Noida factory (Refer to Note 2 of Schedule 12) :

Freehold land at original cost of Rs. 19.80 lakhs, leasehold land at net book value of Rs. 9.80 lakhs (original cost Rs. 23.12 lakhs and accumulated depreciation thereon Rs. 13.32 lakhs), buildings at net book value of Rs. 379.73 lakhs (original cost Rs. 852.71 lakhs and accumulated depreciation thereon Rs. 472.98 lakhs), plant and machinery at net book value of Rs. 28.34 lakhs (original cost Rs. 717.29 and accumulated depreciation thereon Rs. 688.95 lakhs), furniture, fixtures and office equipment at net book value of Rs. 1.13 lakhs (original cost Rs. 48.49 lakhs and accumulated depreciation thereon Rs. 47.36 lakhs)

* Also includes other items of plant and machinery retired from active use and held for disposal valued at their net book value of Rs. 0.44 lakhs (original cost Rs. 463.17 lakhs and accumulated depreciation thereon Rs. 462.73 lakhs)

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. Lakhs)

Particulars	As at 31 March 2010	As at 31 March 2009
Schedule 4 : CURRENT ASSETS, LOANS AND ADVANCES		
Current assets		
Inventories		
(At cost or net realisable value, whichever is lower)		
Stores, spares and loose tools	92.29	102.84
Raw materials and components *	2,033.13	3,186.22
Process stock	237.97	320.93
Finished goods **	2,423.81	2,176.77
	4,787.20	5,786.76
Less : Provision for slow moving inventory	56.72	44.96
	4,730.48	5,741.80
* Includes material in transit Rs. 883.01 lakhs (Previous year Rs. 1,793.25 lakhs)		
** Includes material in transit Rs. 646.76 lakhs (Previous year Rs. 1,339.83 lakhs)		
Sundry debtors		
Debts outstanding for a period exceeding six months		
- considered good		
- secured	0.11	-
- unsecured	13.84	21.24
- considered doubtful		
- unsecured	32.04	41.70
	45.99	62.94
Other debts - considered good		
- secured	81.74	37.80
- unsecured #	1,436.99	785.21
	1,518.73	823.01
	1,564.72	885.95
Less : Provision for doubtful debts	32.04	41.70
	1,532.68	844.25

Includes amount due from Honda Motorcycle & Scooter India Pvt. Ltd. Rs. 64.08 lakhs (Previous year Rs. 135.15 lakhs) and from Honda Motor India Pvt. Ltd. Rs. 114.32 lakhs (Previous year Rs. 16.18 lakhs) being companies having common directors.

Refer to Note 19 of Schedule 12

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. Lakhs)

Particulars	As at 31 March 2010	As at 31 March 2009
Schedule 4 : CURRENT ASSETS, LOANS AND ADVANCES (contd.)		
Cash and bank balances		
Cash in hand	4.32	3.16
Cheques and drafts in hand	361.14	128.18
Balance with scheduled banks		
- on current accounts	464.30	336.70
- on deposit accounts *	9,229.78	7,818.69
- on dividend accounts	26.39	25.53
- on margin accounts	-	1.19
	10,085.93	8,313.45
* Includes Rs. 35.92 lakhs (Previous year Rs. 29.12 lakhs) pledged as security deposit with Government authorities.		
Other current assets		
Interest accrued and not due on fixed deposits	90.17	106.50
	90.17	106.50
Loans and advances		
Advances recoverable in cash or in kind or for value to be received - unsecured		
- considered good	299.99	378.51
- considered doubtful	21.81	21.81
	321.80	400.32
Less : Provision for doubtful advances	21.81	21.81
	299.99	378.51
Special additional duty recoverable	185.23	126.60
Advance income tax and taxes deducted at source {Net of provision for income tax Rs. 10,635 lakhs (Previous year Rs. 9,522 lakhs)}	410.30	296.24
Balances with customs, excise and sales tax authorities	857.29	703.74
Export benefits recoverable (Refer to Note 1 (ix) of Schedule 12)	37.54	71.94
Other deposits - considered good	107.11	103.40
	1,897.46	1,680.43
-		
-		
	18,336.72	16,686.43

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. Lakhs)

Particulars	As at 31 March 2010	As at 31 March 2009
Schedule 5 : CURRENT LIABILITIES AND PROVISIONS		
Current liabilities #		
Sundry creditors		
- Total outstanding dues to micro and small enterprises*	98.35	24.83
- Total outstanding dues to others	3,155.62	2,130.64
Unclaimed dividends	26.39	25.53
Security deposits from dealers (including interest thereon)	151.69	147.68
Advance from customers	385.60	216.32
Other liabilities**	453.12	250.81
	4,270.77	2,795.81
# Current liabilities do not include any amount outstanding which are required to be credited to the Investor Education and Protection Fund		
* Refer to note 7 of Schedule 12		
** Includes salary, bonus, Provident Fund and Employees' State Insurance payable Rs. 64.86 lakhs (Previous year Rs. 78.60 lakhs)		
Provisions		
Proposed dividend	405.72	405.72
Tax on proposed dividend	68.95	68.95
Warranties (Refer to Note 16 of Schedule 12)	7.09	5.71
Service coupons (Refer to Note 17 of Schedule 12)	40.03	12.00
Compensated absences	132.34	152.65
Gratuity	54.50	58.39
Fringe benefit tax {Net of advance fringe benefit tax Rs. 181.81 lakhs (Previous year Rs. 179.21 lakhs)}	1.53	4.13
	710.16	707.55
	4,980.93	3,503.36

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. Lakhs)

Particulars	Year ended 31 March 2010	Year ended 31 March 2009
Schedule 6 : OTHER INCOME		
Interest (gross)*		
- On deposits	624.35	944.49
- Others	2.49	1.18
Profit on sale of fixed assets	45.06	1.57
Export benefits (Refer Note 1(ix) of Schedule 12)	15.40	13.46
Liabilities no longer required written back	61.07	181.62
Miscellaneous income	137.39	231.86
	<u>885.76</u>	<u>1,374.18</u>

* Income tax deducted at source is Rs 72.33 lakhs (Previous year Rs 209.10 lakhs)

Particulars	Year ended 31 March 2010	Year ended 31 March 2009
Schedule 7 : MATERIALS COST		
TRADING		
Opening stock	1,920.61	171.61
Add : Purchase of finished goods	3,207.60	6,227.98
Purchase of spares and tools for resale	-	1.77
	<u>3,207.60</u>	<u>6,229.75</u>
Less : Closing stock	1,188.13	1,920.61
	<u>3,940.08</u>	<u>4,480.75</u>
MANUFACTURING		
Consumption of raw material and components	15,971.42	9,047.11
Stores, spares and loose tools consumed {excluding Rs. 84.08 lakhs (Previous year Rs. 63.11 lakhs) charged to other revenue heads}	360.53	182.24
(Increase) / decrease in stocks		
Opening stock		
- Process stock	320.93	214.22
- Finished goods	256.16	1,898.02
	<u>577.09</u>	<u>2,112.24</u>
Less : Closing stock		
- Process stock	237.97	320.93
- Finished goods	1,235.68	256.16
	<u>1,473.65</u>	<u>577.09</u>
	(896.56)	1,535.15
Increase / (Decrease) in excise duty on stock	142.24	(270.86)
	<u>15,577.63</u>	<u>10,493.64</u>
	<u>19,517.71</u>	<u>14,974.39</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. Lakhs)

Particulars	Year ended 31 March 2010	Year ended 31 March 2009
Schedule 8 : PERSONNEL COST		
Salaries, wages and bonus	2,118.03	1,929.10
Contribution to provident and other funds	197.76	177.61
Staff welfare	169.32	169.02
	<u>2,485.11</u>	<u>2,275.73</u>

(Rs. Lakhs)

Particulars	Year ended 31 March 2010	Year ended 31 March 2009
Schedule 9 : OTHER EXPENSES		
Power and fuel	411.70	311.37
Rent	151.12	161.04
Repairs - Building	47.81	5.20
- Plant and machinery	148.52	90.49
- Others	60.00	62.72
Insurance	73.32	58.48
Rates and taxes	90.12	95.77
Royalty	919.05	678.04
Technical guidance fees	200.87	116.07
Freight outward	624.96	486.54
Commission on sales	502.96	544.54
Sales promotion	372.36	76.58
Sales discount	210.45	114.15
Advertisement and publicity	176.58	455.10
Service expenses	109.32	94.62
Travelling and conveyance	207.41	251.45
Printing and stationery	26.38	25.57
Telephone, postage and telegram	67.85	69.65
Professional charges	125.27	112.39
Vehicle running expenses	161.84	141.24
Loss on sale of fixed assets	7.54	0.93
Bad debts written off	7.99	31.90
Less: written off against provision	<u>7.99</u>	<u>31.90</u>
Provision for slow moving inventory	11.76	14.43
Bank charges	25.38	34.63
Warranty expenses	-	3.39
Miscellaneous	269.33	323.75
	<u>5,001.90</u>	<u>4,328.14</u>

SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. Lakhs)

Particulars	Year ended 31 March 2010	Year ended 31 March 2009
Schedule 10 : FINANCIAL CHARGES		
Interest on cash credit / short term loans	3.18	5.93
Interest on dealer deposits	8.23	8.35
Other interest	7.22	6.59
	<u>18.63</u>	<u>20.87</u>

(Rs. Lakhs)

Particulars	Year ended 31 March 2010	Year ended 31 March 2009
Schedule 11 : EXCEPTIONAL ITEMS		
(Refer to Note 2 of Schedule 12)		
Stores, spares and loose tools consumed	6.36	0.52
Rent	-	4.01
Technical guidance fees	-	18.02
Travelling and conveyance	16.12	8.42
Professional Charges	10.24	60.07
Salary, wages and staff welfare	9.45	-
Repairs	4.90	-
Telephone	0.06	-
Freight inward	48.07	-
Publicity	7.66	-
Voluntary retirement scheme	1,893.00	-
Miscellaneous	8.60	28.33
	<u>2,004.46</u>	<u>119.37</u>

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS

Schedule 12

1. Significant Accounting Policies

(i) Accounting convention

The financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards (AS) as specified in the Companies (Accounting Standards) Rules 2006 and the relevant provisions of the Companies Act, 1956, to the extent applicable.

(ii) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

(iii) Fixed assets

Fixed assets are stated at the cost of acquisition or construction less accumulated depreciation. Cost comprises the purchase price and any directly attributable costs of bringing the asset to its working condition for the intended use.

Items of fixed assets retired from active use and held for disposal are valued at the lower of their net book value and net realisable value.

(iv) Impairment

The carrying values of assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

(v) Depreciation

- a) Depreciation on fixed assets except for leasehold land is provided on a pro-rata basis using straight line method.
- b) The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life / remaining useful life. Pursuant to this policy, depreciation on certain assets has been provided at the following rates which are higher than the corresponding rates prescribed in Schedule XIV:

Dies

- Press dies 14.28% per annum
- Die castings/lamination dies 20.00% per annum

Jigs and fixtures 20.00% per annum

Computers 33.33% per annum

Office Equipment, Air Conditioners,

Fans and Heaters 20.00% per annum

Furniture and Fixtures 12.50% per annum

Cars and Jeeps 20.00% per annum

- c) Leasehold land is amortised over the period of the lease.

- d) Assets costing individually Rs.5,000 or less are depreciated fully in the year of purchase.

(vi) Intangible assets and amortization thereof

Intangible assets comprise model fee, technical know how and computer software and are stated at cost less accumulated amortization and impairment losses, if any.

Model fee is amortised over a period of five years. Unamortised model fee in respect of models discontinued during the year is fully charged to the profit and loss account.

Technical know how is amortised over a period of six years.

Software is amortized over a period of three years.

Amortization expense is charged on a pro-rata basis for assets purchased during the year. The appropriateness of the amortization period and the amortization method is reviewed at each financial year-end.

(vii) Inventories

Stores, raw materials and components, process stock and finished goods are valued at weighted average cost and net realisable value, whichever is lower.

In determining cost of process stock and finished goods, fixed production overheads are allocated on the basis of normal capacity of production facilities. The proportionate amount of additional duty of customs paid on finished goods imported for trading and lying unsold as at the year end has been included in the value of the finished goods stock.

Stores, raw materials and components held for use in production of finished goods are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished goods will exceed their net realisable value.

(viii) Revenue recognition

Revenue from sale of goods is recognised on transfer of all significant risks and rewards of ownership to the customer, which generally coincides with despatch against orders from customers in accordance with the contract terms.

Revenue from services is recognised on rendering of services to customers in accordance with the terms of contracts with the customers.

Interest income is recognised using the time proportion method, based on underlying interest rates.

(ix) Export benefits

Export benefit representing customs duty rebate entitlement against exports made on advance licences under duty exemption scheme and duty credit entitlement for exports made to focus markets under the focus market scheme of Government of India is accounted for on an accrual basis.

(x) Foreign currency transactions

Transactions in foreign currency are recorded at the exchange rate prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the profit and loss account for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the profit and loss account.

(xi) Leases

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease.

Lease payments under operating lease are recognised as an expense in the profit and loss account on straight line basis over the lease period.

(xii) Employee benefits**1. Short – term employee benefits**

All employee benefits payable / available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages and bonus etc., are recognised in the profit and loss account in the period in which the employee renders the related service.

2. Retirement benefits**a) Defined Benefit****(i) Gratuity**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund established as trust which has taken up a group policy with Life Insurance Corporation of India. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end.

(ii) Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund set up as an irrevocable trust. Both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. The interest rate payable by the trust to the beneficiaries every year is notified by the appropriate authorities. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The annual contributions paid by the Company to the provident fund are charged off to the profit and loss account. In addition the Company provides for the interest shortfall, if any.

Actuarial gains and losses arising on the defined benefits plan are recognised immediately in the profit and loss account.

b) Defined Contribution**(i) Superannuation fund**

Under the superannuation scheme, a defined contribution plan, the Company pays fixed contributions into a separate trust and has

no obligation to pay further amounts. The trust has taken up a policy with the Life Insurance Corporation of India. Benefits are paid by Life Insurance Corporation of India to the vesting employees on retirement, death, incapacitation or termination of employment. Contributions paid by the Company to the superannuation trust are charged to the profit and loss account.

3. Other long term employee benefits

a. Compensated absences

As per the Company's policy eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilised during the service, or encashed. Encashment can be made during the service, on early retirement, on withdrawal of scheme, at resignation by employee and upon death of employee. The scale of benefits is determined based on the seniority and the respective employee's salary. The Company accounts for the liability for compensated absences payable in future based on an independent actuarial valuation using the projected unit credit method as at the year end.

(xiii) Earning per share

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The company has not issued any potential equity shares and accordingly the basic earnings per share and diluted earnings per share is the same.

(xiv) Provisions, contingent liabilities and contingent assets

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made. The Company does not recognise assets which are of contingent nature until there is virtual certainty of realisability of such assets. However, if it has become virtually certain that an inflow of economic benefits will arise, asset and related income is recognised in the financial statements of the period in which the change occurs.

(xv) Warranty and Service Coupon Costs

Warranty and Service Coupons costs are estimated by the management based on the past experience of claims and provided on an accrual basis on the sales made during the year.

(xvi) Taxation

Income-tax expense comprises current tax (i.e. amount of tax for the year determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities and assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward losses under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

2. The restructuring programme declared in the previous year by the Company for shifting its factory from Rudrapur, Uttaranchal, to Greater Noida, Uttar Pradesh has been completed during the current year. The company offered a Voluntary Retirement Scheme to all the workers of Rudrapur factory. Majority of the workers have opted for the said scheme and a sum of Rs. 1,893 lakhs has been paid under the said VRS scheme and included under 'Exceptional Items' in the financial statements.

Pursuant to the above agreement, the Company has been able to shift its entire inventory and the required plant and machinery from Rudrapur factory to Greater Noida factory. The remaining fixed assets not transferred to Greater Noida factory are currently being held for disposal. The expenses on such shifting have been included under 'Exceptional items' in the financial statements.

3. Contingent liabilities :

	(Rs. Lakhs)	
	Current year	Previous year
Claims against the Company not acknowledged as debts		
- Various income-tax matters for different assessment years pending before various authorities	1,890.27	1,022.36
- Various excise matters for different years pending before various authorities	2,446.78	3,639.15
- Various service tax matters for different years pending before various authorities	176.58	168.38
- Various sales tax matters pending before various authorities	233.94	427.84
- Other matters	43.75	32.28

4. Estimated amount of contracts remaining to be executed on capital account and not provided for, net of advances, Rs 316.19 lakhs (Previous year Rs. 544.35 lakhs).

5. Disclosure in respect of employee benefits under Accounting Standard (AS) – 15 "Employee Benefits" prescribed by the Companies (Accounting Standards) Rules, 2006:

- a) Amount of Rs. 121.08 lakhs (Previous year Rs. 110.86 lakhs) pertaining to employers' contribution to provident fund, pension fund, employees' state insurance fund and superannuation fund is recognised as an expense and included in "Personnel Cost" in Schedule 8.
- b) The following tables sets out the status of the gratuity plan as required under the Standard:
- (i) Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:

(Rs. Lakhs)

Particulars	Current year	Previous year
Present value of obligation as at the beginning of the year	468.06	380.61
Interest cost	37.45	29.12
Current service cost	26.56	30.97
Benefits paid	(187.79)	(19.19)
Actuarial (gain) / loss on obligation	52.14	46.55
Present value of obligation as at the end of the year	396.42	468.06

- (ii) Changes in the fair value of plan assets:

(Rs. Lakhs)

Particulars	Current year	Previous year
Fair value of plan assets as at the beginning of the year	409.67	327.99
Expected return on plan assets	36.87	27.88
Contributions	88.77	68.61
Benefits paid	(187.79)	(19.19)
Actuarial gain / (loss) on plan assets	(5.60)	4.38
Fair value of plan assets at the end of the year	341.92	409.67

- (iii) Actuarial gain / loss recognised in the profit and loss account:

(Rs. Lakhs)

Particulars	Current year	Previous year
Actuarial gain / (loss) for the year – obligation	(52.14)	(46.55)
Actuarial gain / (loss) for the year - plan assets	(5.60)	4.38
Total gain / (loss) for the year	(57.74)	(42.17)
Actuarial gain / (loss) recognised in the year	(57.74)	(42.17)
Unrecognised actuarial gains / (losses) at the end of year	-	-

- (iv) The amounts recognised in the balance sheet are as follows:

(Rs. Lakhs)

Particulars	Current year	Previous year
Present value of obligation as at the end of the year	396.42	468.06
Fair value of plan assets as at the end of the year	341.92	409.67
Funded status	54.50	58.39
Unrecognised actuarial gains / (losses)	-	-
Net assets / (liability) recognised in balance sheet	(54.50)	(58.39)

- (v) The amounts recognised in the profit and loss account are as follows:

(Rs. Lakhs)

Particulars	Current year	Previous year
Current service cost	26.56	30.97
Past service cost	-	-
Interest cost	37.45	29.12
Expected return on plan assets	(36.87)	(27.88)
Net actuarial (gain) / loss recognised in the year	57.74	42.17
Expenses recognised in the statement of profit and loss*	84.88	74.38

* Included in Schedule 8 "Personnel Cost".

(vi) Principal actuarial assumptions at the balance sheet date for gratuity and compensated absences are as follows:

	Current year	Previous year
Discount rate	8%	7.65%
Future salary increase	7%	6.00%
Expected rate of return on plan assets	9%	8.50%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The discount rate is based on the prevailing market yields of Government Bonds as at the balance sheet date for the estimated term of the obligations.

(vii) Investment details of plan assets

The gratuity trust has taken up a group policy with Life Insurance Corporation of India.

(c) Provident Fund

The Company's actuary has confirmed that as at 31 March 2010, the Company does not have any liability on account of interest shortfall between the return from the investments of the provident fund trust and the notified interest rate.

The actuary, however, has expressed an inability to provide the required information prescribed by AS-15 such as changes in present value of defined benefit obligation, fair value of plan assets, actuarial gain/loss recognised in the profit and loss account etc. Accordingly the required disclosures have not been made.

6. Out of the total leasehold land measuring 19.48 acres at Rudrapur, a lease deed had been executed for 17.92 acres. In respect of the balance leasehold land of 1.56 acres, requisite documents are yet to be executed.

7. Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the Company (Rs. Lakhs)

	Current Year	Previous Year
(i) The principal amount remaining unpaid to any supplier as at the end of the year;	98.35	24.83
(ii) the interest due on the principal remaining outstanding as at the end of the year;	Nil	Nil
(iii) the amount of interest paid, along with the amounts of the payment made beyond the appointed day during the year;	Nil	Nil
(iv) the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act;	Nil	Nil
(v) the amount of interest accrued and remaining unpaid at the end of the year; and	Nil	Nil
(vi) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	Nil	Nil

8. Managerial remuneration (Rs. Lakhs)

	Current year	Previous year
Salaries and allowances	176.09	179.93
Contribution to funds *	6.78	5.78
Monetary value of benefits (at cost)	18.04	23.93**
	200.91	209.64
Directors' sitting fees	11.80	9.80

* excludes contribution to the gratuity fund and provision for compensated absences determined on an actuarial basis, as these are determined for the Company as a whole.

** excludes fringe benefit tax payable by the Company as a whole on specified expenses.

9. Auditors' remuneration (included under professional charges) # (Rs. Lakhs)

	Current year	Previous year
As statutory auditors - Audit fee	14.00	14.00
In other capacity :		
- for limited reviews	9.00	9.00
- for tax audit	3.00	3.00

excludes service tax and out of pocket expenses

10. The net exchange difference amounting to a net gain of Rs. 22.58 lakhs has been included in miscellaneous income (Previous year Rs.127.89 lakhs).

11. Segment information

Primary segment:

The primary reportable segment for the Company is geographical segment by location of customers. The Company's geographical segment comprises domestic customers and overseas customers.

The primary segments have been identified in line with AS 17, taking into account the risks and return, organisation structure and internal reporting system.

Segment revenue comprises income from sales and services which are directly identifiable to the individual segment. Certain non-operating incomes such as liabilities written back and income from export benefits do not form part of segment revenue and are included under "other non-operating income". Direct expenses in relation to segments is categorised based on items that are individually identifiable to that segment, while the remaining costs are categorised to the segment on a reasonable basis. Certain expenses such as administrative expenses which form a significant component of total expenses are not specifically allocable to specific segments. Accordingly these expenses are separately disclosed as "unallocated" and directly charged against total income.

Segment assets include operating assets used by a segment that are directly identifiable to that segment and consist principally of debtors and inventory. Segment liabilities include operating liabilities that are directly identifiable to that segment and consist principally of accrued liabilities and advances from customers. Assets and liabilities of the Company which cannot be identified to any of the reportable segments have not been allocated as the same are used for both segments.

Information about primary segments - geographical segments by customer

(Rs. Lakhs)

	Current year			Previous year		
Particulars	Domestic	Exports	Total	Domestic	Exports	Total
Segment revenue (net of excise duty on goods sold)	26,618.69	4,293.71	30,912.40	19,668.08	3,683.65	23,351.73
Segment result	5,374.56	(269.60)	5,104.96	3,452.58	(542.55)	2,910.03
Less: unallocated expense (including exceptional items)			3,944.55			1,834.94
Operating profit			1,160.41			1,075.09
Add: interest income			626.84			945.67
Add: other non-operating income			187.72			428.51
Less: interest expense			18.63			20.87
Less: taxes (current, deferred and fringe benefit tax)			687.36			864.00
Net profit after taxes			1,268.98			1,564.40
Other information						
Segment assets	4,584.64	664.25	5,248.89	3,352.52	461.74	3,814.26
Unallocated corporate assets			19,967.33			19,362.10
Total assets			25,216.22			23,176.36
Segment liabilities	1,741.18	317.41	2,058.59	736.01	104.59	840.60
Unallocated corporate liabilities			2,922.34			2,894.78
Total liabilities			4,980.93			3,735.38
Capital expenditure	5.84	-	5.84	-	-	-
Unallocated capital expenditure			1,039.04			2,555.68
Total capital expenditure			1,044.88			2,555.68
Depreciation	454.94	97.62	552.56	362.89	143.74	506.63
Unallocated depreciation			190.25			72.38
Total depreciation			742.81			579.01

Reconciliation of segment revenue reported in financials :

(Rs. Lakhs)

Particulars	Current year	Previous year
Total revenue of the segments	30,912.40	23,351.73
Less: Other income (technical and support service fee) included in segment revenue	71.20	-
Add: Non operating income as reported in Profit and Loss Account, not forming part of segment revenue:		
- Interest income	626.84	945.67
- Other non-operating income	258.92	428.51
Total revenue as reported in the Profit and Loss Account	31,726.96	24,725.91

Secondary segment:

As the Company's business activity falls within a single business segment viz. "power products and related parts", the secondary business segment disclosure requirements of AS 17 are not applicable to the Company.

12. Deferred tax

Deferred tax asset/ liability (Net), included in the balance sheet comprises the following:

		(Rs. Lakhs)
	Current year	Previous year
Deferred tax liability on		
Difference between Written down value of fixed assets as per Income Tax Act and as per Companies Act	391.11	344.47
	391.11	344.47
Deferred tax assets on		
Expenditure under section 43B of Income Tax Act, 1961	71.04	90.86
Expenditure under section 35DDA of Income Tax Act, 1961 on account of Voluntary Retirement Scheme	503.05	-
Provision for doubtful debts / advances	10.64	21.59
	584.73	112.45
Deferred tax (asset) / liability (Net)	(193.62)	232.02

13. Disclosures as per Accounting Standard (AS) - 18 "Related Party Disclosures"
a) Ultimate Holding company and Holding company: Honda Motor Co. Limited, Japan
Transactions with the holding company:

		(Rs. Lakhs)
	Current year	Previous year
Income		
Sale of spares	8.26	14.65

Expenditure

	Current year	Previous year
Purchases of components and finished goods	3,059.68	5,375.26
Technical guidance fee	200.87	181.62
Royalty	919.05	678.03
Export commission (included under Commission on sales)	470.54	432.49
Reimbursement of expenses paid	0.14	0.85
Reimbursement received for warranty claims	10.40	3.99
Purchase of capital goods	-	0.52
Remittance of dividend	270.48	270.48

Balance outstanding at year end

	Current year	Previous year
Payables	699.91	190.44
Receivables	1.52	6.14

b) Fellow subsidiaries with whom there have been transactions during the year:

Honda South Africa (Pty.) Limited, South Africa
 Honda Philippines Inc., Philippines
 Honda Del Peru S.A., Peru
 Honda de Mexico, S.A. de C.V., Mexico
 Honda Australia M. & P.E. Pty. Limited, Australia
 Asian Honda Motor Co., Limited, Thailand
 Honda Trading Corporation, Japan
 Honda de Venezuela C.A., Venezuela
 PT. Honda Power Products Indonesia, Indonesia
 Honda Motorcycle and Scooter India Private Limited, India
 Honda Motor India Private Limited, India

Honda Siel Cars India Limited, India
 Honda Express Logistics India Private Limited, India
 Moto Honda Da Amazonia Ltd
 Honda Europe N.V., Belgium
 Honda Gulf, U.A.E.
 Honda R & D (India) Private Limited, India
 Honda Trading (South China) Co Ltd
 Honda R & D Co., Limited Japan

		(Rs. Lakhs)
	Current year	Previous year
Honda South Africa (Pty.) Limited, South Africa		
- Sale of finished goods	116.83	45.33
Honda Philippines Inc., Philippines		
- Sale of finished goods and spares	149.05	151.71
Honda Del Peru S.A., Peru		
- Sale of finished goods	299.92	288.25
- Reimbursement of expenses paid	0.20	0.10
Honda de Mexico, S.A. de C.V., Mexico		
- Sale of finished goods and spares	79.48	53.27
Honda Australia M. & P.E. Pty. Limited, Australia		
- Sale of finished goods and spares	83.47	18.99
- Purchases of finished goods	115.38	139.60
Asian Honda Motor Co., Limited, Thailand		
- Sale of finished goods and spares	2.05	1.22
- Purchases of components and finished goods	986.82	1052.39
- Reimbursement of warranty claims	0.25	3.41
Honda Trading Corporation, Japan		
- Purchases of components ,raw material and consumables	1134.30	385.59
- Sale of spares	68.21	73.51
- Purchases of capital goods	-	1.51
Honda Trading (Thailand) Co., Limited, Thailand		
- Purchases of capital goods	-	35.50
Honda de Venezuela C.A., Venezuela		
- Sale of finished goods	61.33	137.40
PT. Honda Power Products Indonesia, Indonesia		
- Sale of finished goods and spares	81.45	228.04
- Reimbursement of expenses paid	-	0.05
Honda Motorcycle & Scooter India Private Limited, India		
- Receipt of job work charges	261.15	210.95
- Sale of Components	309.49	268.54
- Sale of finished goods and spares	-	2.89
Honda Motor India Private Limited, India		
- Sale of spares	340.63	210.50
- Reimbursement of expenses paid	28.16	21.46
- Receipt of support services and technical assistance fees	71.21	45.07
Honda Siel Cars India Limited, India		
- Sale of finished goods and spares	-	14.23
- Reimbursement of expenses paid	-	1.06
- Purchase of consumables	0.20	0.66
- Purchases of capital goods	12.80	-

		(Rs. Lakhs)
	Current year	Previous year
Honda Express Logistics India Private Limited, India		
- Warehousing charges	-	23.62
- Freight expenses paid	5.96	-
Moto Honda Da Amazonia Ltd		
- Sale of finished goods	273.78	21.44
Honda Trading(South China) Co Limited		
-Purchase of components	81.62	-
Honda R & D (India) Pvt Ltd		
- Sale of finished goods and spares	-	1.22
- Infrastructure support services	9.14	-
- Reimbursement of expenses received	1.18	-
- Reimbursement of expenses paid	0.18	-
Other transactions with other fellow subsidiaries		
- Sale of finished goods and spares	1.29	2.27
- Purchase of components	-	1.18
- Sale of spares	0.23	-
Balances outstanding at year end		
-Payables	31.39	247.19
-Receivables	350.33	259.48

c) Key management personnel

Mr. J .Kobayashi	President and CEO (till 30 March 2010)
Mr. Y. Watanabe	Vice President and Whole time director
Mr. R. S. Bidesi	Vice President and Whole time director

Transactions with key management personnel:

Managerial remuneration*

		(Rs. Lakhs)
Name	Current Year	Previous Year
Mr. J .Kobayashi	79.36	78.40
Mr. Y. Watanabe	65.12	70.10
Mr. R. S. Bidesi	56.43	61.14

* Excludes contribution to the gratuity fund and provision for compensated absences determined on an actuarial basis, as these are determined for the Company as a whole. Also, excludes fringe benefit tax payable by the Company as a whole on specified expenses.

Dividends paid

		(Rs. Lakhs)
Name	Current year	Previous year
Mr. R. S. Bidesi	0.03	0.03

14. Disclosure in respect of operating leases under Accounting Standard (AS) – 19 “Leases”

a) General description of the Company's operating lease arrangements:

The Company enters into operating lease arrangements for leasing area offices, residential premises for its employees and vehicles. Some of the significant terms and conditions of the arrangements are:

- certain agreements for premises may generally be terminated by the lessee or either party by serving one to three month's notice or by paying the notice period rent in lieu thereof.
- other agreements for premises, agreements cannot be terminated by either party before the expiry of one year.
- agreements for leasing of vehicles can generally be terminated early by payment of nominal fees.
- the lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.
- the Company shall not sublet, assign or part with the possession of the premises without prior written consent of the lessor.

b) Lease rent charged to the profit and loss account Rs.149.37 lakhs (Previous year Rs 163.81 lakhs)

15. Earnings per share

	Current year	Previous year
Profit for the year after taxation as per Profit and Loss account (Rs. Lakhs)	1,268.98	1,564.40
Number of equity shares outstanding during the year	10,143,071	10,143,071
Basic and diluted earnings per share in Rupees (face value – Rs. 10 per share)	12.51	15.42

16. Power products sales are covered by a warranty period of one year, the details of which are as under: (Rs. Lakhs)

	Current year	Previous year
Provision at the beginning of the year	2.68	7.55
Add : Additions during the year	2.32	3.39
Less : Amounts used during the year	2.46	8.26
Provision at the end of the year *	2.54	2.68

* Net of expected reimbursement of Rs 4.55 lakhs (Previous year Rs 3.03 lakhs) from traded goods suppliers, recognized and included in loans and advances in accordance with the requirements of Accounting Standard – 29 “ Provisions, Contingent Liabilities and Contingent Assets.”

The warranty provision is expected to be paid within the normal warranty period of one year.

17. The Company provides after-sales service coupons to its customers for availing free of cost service. The coupons are valid for one year , the details of which are as under:

	Current year	Previous year
Provision at the beginning of the year	12.00	133.20
Add : Additions during the year (included under service expenses)	78.41	65.78
Less : Amounts used during the year	50.38	79.40
Less : Amounts written back during the year (included under liabilities no longer required written back)	-	107.58
Provision at the end of the year	40.03	12.00

The Company expects that the service coupons will be utilised within the validity period of one year.

18. Contributions to political party Rs Nil (Previous year Rs 5.00 lakhs to Bhartiya Janta Party).
19. Sundry debtors include the following balances, which are due from companies under the same management as defined under Section 370(1B) of the Companies Act, 1956.

Name	Current year	Previous year
Honda Motor Co Limited, Japan	1.52	6.14
Honda Del Peru S.A., Peru	49.30	15.32
Honda Europe N.V., Belgium	0.07	0.21
Honda Philippines Inc., Philippines	16.74	51.99
Honda South Africa (Pty.) Limited, South Africa	28.18	-
Honda Motorcycle and Scooter India Private Limited, India	64.08	135.15
PT. Honda Power Products Indonesia, Indonesia	-	19.46
Honda Australia M. & P.E. Pty. Limited, Australia	16.07	18.64
Honda Motor India Private Limited, India	114.32	16.18
Asian Honda Motor Co., Limited, Thailand	-	2.34
Honda R & D (India) Pvt. Ltd	0.53	-
Honda Gulf, U.A.E.	0.09	0.19
Honda De Mexico S.A. DE C.V.	0.20	-
Moto Honda Da Amazonia Ltd	60.75	-

20. Unhedged foreign currency exposure

(Figures in Lakhs)

Purpose	Current year		Previous year	
	Amount in Foreign Currency	Amount in Rupees	Amount in Foreign Currency	Amount in Rupees
Receivables	US \$ 12.63	566.22	US \$ 07.92	411.79
Payables	US \$ 8.16	369.79	US \$ 04.90	250.86
	JPY 174.09	84.94	-	-
	CHF 0.09	4.09	-	-
Cash	US \$ 0.01	0.43	US \$ 0.01	0.34
Bank	US \$ 0.48	21.69	US \$ 0.06	3.02

21. Additional information pursuant to the provisions of the Companies Act, 1956
(a) Quantitative details of products manufactured (nos.)

Item	Annual Capacity				Production	
	Licensed		Installed*			
	Current Year	Previous Year	Current Year	Previous Year	Current year	Previous Year
Portable generating sets	**	**	175,000	175,000	50,848	37,542
Internal combustion engines	**	**	***	***	61,411	40,111
Pumping sets	**	**	***	***	71,596	25,231

* As certified by the management and relied upon by the auditors, being a technical matter.

** Not applicable, as the products manufactured by the Company are delicensed.

*** Installed capacity is common with portable generating sets.

(b) Stock of Finished Goods, Purchases for Resale and Sales

Sl. No.	Particulars	Opening Stock			Production /Purchase			Sales**			Closing Stock		
		As at 1 April 2009		Qty (No.)	As at 1 April 2008		Qty (No.)	For the year ended 31 March 2010		Qty (No)	As at 31 March 2010		Qty (No.)
		Amt/ Lakhs	Qty (No.)		Amt/ Lakhs	Qty (No.)		Amt/Lakhs	Qty (No)		Amt/ Lakhs	Qty (No.)	
A)	Manufactured Goods												
	Gensets	8.13	6,787		1,071.38	50,848		NA	37,542		11,472.03	4,210	72
	GP Engines	46.28	5,183		255.63	61,411		NA	40,111		3,264.76	416	918
	Water Pumps	201.75	7,301		571.01	71,596		NA	25,231		3,961.43	3,201	1,968
	Sub Total	256.16			1,898.02						18,698.22		256.16
B)	Traded Goods												
	Gensets	1,609.57	8		8.64	1,380		1,941.55	3,966		3,578.99	591	1,275
	GP Engines	27.97	89		8.25	1,250		123.64	1,478		414.45	286	239
	Lawn Movers	70.42	188		28.65	680		132.26	840		201.35	197	309
	Brush Cutters	203.14	752		66.24	8,190		873.44	8,061		1,198.85	2,496	1,816
	Others	7.83	#		9.78	#		136.71	#		94.51	#	#
	Sub Total	1,918.93			121.56			3,207.60			5,488.15		1,918.93
C)	Spare Parts	1.68	#		50.05	#		-	#		303.15	#	#
	Others	-	#		-	#		-	#		353.56	#	#
	Grand Total	2,176.77			2,069.63			3,207.60			24,843.08		2,176.77

** Gross of Excise duty and includes free of cost samples, in transit losses, write offs etc.

in view of the considerable number of items diverse in size & nature, it is not practicable to furnish quantitative information. Also, no individual item of spares and others exceed 10% of total purchase, sales & total Stock.

(c) Raw materials and components consumed

Item	Unit	Current year		Previous year	
		Qty.	Rs. Lakhs	Qty.	Rs. Lakhs
Steel sheets	Tonne	621.25	419.65	599.58	325.94
Steel sheets	Nos.	24,019.00	155.78	-	-
CRNGO Sheets	Tonne	516.13	368.87	662.44	270.41
Aluminium alloy	Tonne	845.55	762.90	423.03	482.33
Magnet wire	Tonne	88.03	394.55	84.84	390.10
Other raw materials		*	13.13	*	21.83
Components		*	13,856.54	*	7,556.50
			15,971.42		9,047.11

* In view of the considerable number of items diverse in size and nature, it is not practicable to furnish quantitative information. Also, no individual item exceeds ten percent of total raw materials and components consumed.

(d) Value of imported and indigenous raw materials and components consumed and the percentage of each to the total consumption.

Item	Current year		Previous year	
	Rs. Lakhs	%	Rs. Lakhs	%
Raw materials and components				
- Imported	4,454.04	28	2,048.13	23
- Indigenous	11,517.38	72	6,998.98	77
	15,971.42	100	9,047.11	100

(e) Value of imported and indigenous stores, spares and loose tools consumed and the percentage of each to the total consumption.#

Item	Current year		Previous year	
	Rs. Lakhs	%	Rs. Lakhs	%
Stores, spares and loose tools				
- Imported	12.34	3	7.47	4
- Indigenous	348.19	97	174.77	96
	360.53	100	182.24	100

In giving this information, spare parts used for machinery repairs have not been considered.

(Rs. Lakhs)

Item	Current year	Previous year
(f) C.I.F. value of imports		
Raw materials	199.44	841.83
Components	3,366.59	2,337.07
Consumables	9.89	13.47
Stores, tools and machinery spares	15.23	22.67
Spares for sale	-	1.67
Capital goods	17.48	47.17
(g) Expenditure in foreign currency		
Technical guidance fee (net of tax)	180.83	163.46
Royalty (net of tax)	827.15	610.23
Foreign travelling expenses (net of tax)	15.07	34.40
Export commission (net of tax)	423.49	432.49
Other matters	0.91	10.37
(h) Earnings in foreign currency		
F.O.B. value of exports	3,951.70	3,431.79

(i) Amount remitted in foreign currency on account of dividends

Current year				Previous year		
Year to which the dividend relates	Number of non-resident shareholders	Number of equity shares held	Dividend remitted- (Rs. Lakhs)	Number of non-resident shareholders	Number of equity shares held	Dividend remitted- (Rs. Lakhs)
2007-08	-	-	-	78	6,792,745	271.71
2008-09	25	6,768,789	270.75	-	-	-

22. The figures for the previous year have been regrouped / recasted wherever necessary.

For and on behalf of the Board

Siddharth Shriram	<i>Chairman</i>
D.V.Kapur	<i>Director</i>
O.P.Khaitan	<i>Director</i>
T. Hamasaki	<i>President & CEO</i>
Y. Watanabe	<i>Vice President & Whole Time Director</i>

Vinay Mittal <i>Chief Financial Officer</i>	Payal Chaddha <i>Company Secretary</i>
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Place: New Delhi
 Date: 21 May 2010

ADDITIONAL INFORMATION AS REQUIRED UNDER PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE
01. REGISTRATION DETAILS

Registration number	28556	State Code	20
Balance sheet date	31-03-2010		

02. CAPITAL RAISED DURING THE YEAR (RS. LAKHS)

Public issue	Nil	Right issue	Nil
Bonus issue	Nil	Private placement	Nil

03. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (RS. LAKHS)

TOTAL LIABILITIES	25,216.22	TOTAL ASSETS	25,216.22
Source of funds		Application of funds	
Paid-up capital	1,014.31	Net fixed assets	6,685.88
Secured loans	-	Net current assets	13,355.79
Reserves and surplus	19,220.98	Investments	-
Unsecured loans	-	Deferred tax asset (net)	193.62

04. PERFORMANCE OF THE COMPANY (RS. LAKHS)

Turnover*	31,726.96	Total expenditure	27,766.16
Profit before tax	1,956.34	Profit after tax	1,268.98
Earning per share in Rs.	12.51	Dividend rate %	40%

* Including other income

**05. GENERIC NAMES OF THE PRINCIPAL PRODUCT / SERVICES OF THE COMPANY
(AS PER MONETARY TERMS)**

<u>Item code no. (ITC code)</u>	<u>Product description</u>
8502 20	Portable Generating Sets
8407 90	I C Engine
8407 90	Pumping Sets

For and on behalf of the Board

Siddharth Shriram	<i>Chairman</i>
D.V. Kapur	<i>Director</i>
O.P. Khaitan	<i>Director</i>
T. Hamasaki	<i>President & CEO</i>
Y. Watanabe	<i>Vice President & Whole Time Director</i>

Vinay Mittal	Payal Chaddha
<i>Chief Financial Officer</i>	<i>Company Secretary</i>

Place : New Delhi
 Date : 21 May 2010

Annexure to the Directors' Report

Statement of Particulars, under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975

Name	Designation	Qualifications	Age (Years)	Experience (Years)	Date of commencement of employment	Remuneration received (Rs.)	Particulars of last employment
Employees who were employed throughout the year and were in receipt of remuneration of not less than Rs. 24,00,000 for 12 months							
R.S.Bidesi	Vice President & Whole Time Director	L.M.E., AMIE (Mech Engg.), Advance Management Programme at Michigan	64	46	01.05.1986	5,642,864	Shriram Refrigeration Industries Ltd. Manager-Production
Y.Watanabe	Vice President & Whole Time Director	Graduate	53	35	01.12.2005	6,511,967	Honda Motor Co. Ltd., Japan Manager
R. P. Mehrotra	Senior General Manager	B.E. (Elect.), PGDM - Marketing	59	37	01.09.1993	3,468,865	M/s. Ashok Leyland Regional Manager- North
T. Ebihara	Advisor - Quality Control	Machinery Course	54	36	01.08.2006	6,479,581	Honda Motor Co. Ltd., Japan Staff Engineer
A. Sekihara	General Manager - SEDB	Graduate	51	28	01.04.2007	6,671,126	Honda Motor Co. Ltd., Japan Manager Production Planning
K. Wada	Advisor - Materials	Graduate	50	19	01.02.2009	5,320,366	Honda Motor Co. Ltd., Japan Assistant Manager
K. Takano	Advisor - Quality Assurance & Indigenisation	General Education Course	47	28	01.10.2008	6,530,855	Honda Motor Co. Ltd., Japan Staff Engineer
T. R. Dabral	Senior General Manager	Diploma in Electrical Engg.	57	34	05.08.1986	2,741,470	Kelvinator of India Ltd.
Vinay Mittal	General Manager	B.Com, FCA	43	20	03.10.2006	2,620,286	Sumi Motherson Innovative Engineering Ltd.
Rajneesh Gupta	General Manager	Post Graduate Diploma in PM & IR	44	19	11.04.2006	2,521,146	Reliance Energy Ltd.
Employees who were employed for a part of the year and were in receipt of remuneration in aggregate of not less than Rs.2,00,000 per month							
J. Kobayashi	President & CEO	Graduate	52	30	10.04.2007	7,936,047	Asian Honda Motor Co. Ltd. (Thailand) General Manager

Notes:

1. In accordance with the clarification given by the Ministry of Corporate Affairs, remuneration has been computed on the basis of actual expenditure incurred by the Company.
2. Remuneration includes salary, allowances, value of perquisites and Company's contribution to retiral fund.
3. All appointments are contractual in nature.
4. None of the employee is relative of any Director of the Company.
5. None of the above employee himself or alongwith his spouse and dependent children holds 2% or more equity shares of the Company.

The Range of Honda Power Products

 <p>EU 65is M.R.P. Rs. 1,76,676/-*</p>	 <p>EXK 2800 S M.R.P. Rs. 60,626/-*</p>	 <p>EXK 2000 AC M.R.P. Rs. 41,982/-*</p>	 <p>EXK 2000 S M.R.P. Rs. 50,571/-*</p>	 <p>EXK 2000 M.R.P. Rs. 44,135/-*</p>
 <p>EXK 1200 S M.R.P. Rs. 43,361/-*</p>	 <p>EXK 1200 M.R.P. Rs. 36,580/-*</p>	 <p>EBK 1000 M.R.P. Rs. 24,875/-*</p>	 <p>EB 2000GP M.R.P. Rs. 34,445/-*</p>	 <p>EB 650GP M.R.P. Rs. 23,496/-*</p>
 <p>EBK 650 M.R.P. Rs. 21,144/-*</p>	 <p>EM 650 M.R.P. Rs. 23,301/-*</p>	 <p>EK 400 M.R.P. Rs. 17,123/-*</p>	 <p>GK 100 General Purpose Engine M.R.P. Rs. 11,121/-*</p>	 <p>GK 200 General Purpose Engine M.R.P. Rs. 13,455/-*</p>
 <p>WBK 15 Portable Pumpset M.R.P. Rs. 14,399/-*</p>	 <p>WBL 30 Portable Pumpset M.R.P. Rs. 19,968/-*</p>	 <p>WBK 30 FF Portable Pumpset M.R.P. Rs. 18,023/-*</p>	 <p>Honda 4 stroke UMK435T U2ST Brush Cutter M.R.P. Rs. 20,344/-*</p>	 <p>HRU196 PU Engine Lawn Mower M.R.P. Rs. 37,568/-*</p>

* MRP in Delhi as on 31st March 2010

Also Exported to more than 35 Countries, world wide.



Honda Siel Power Products Limited

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