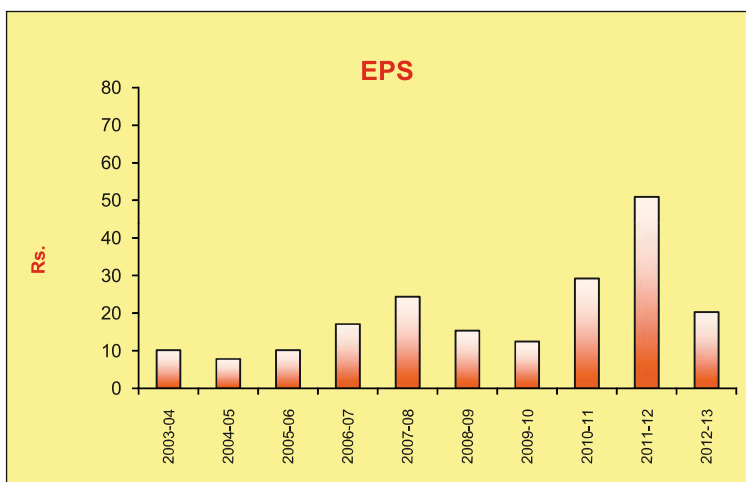
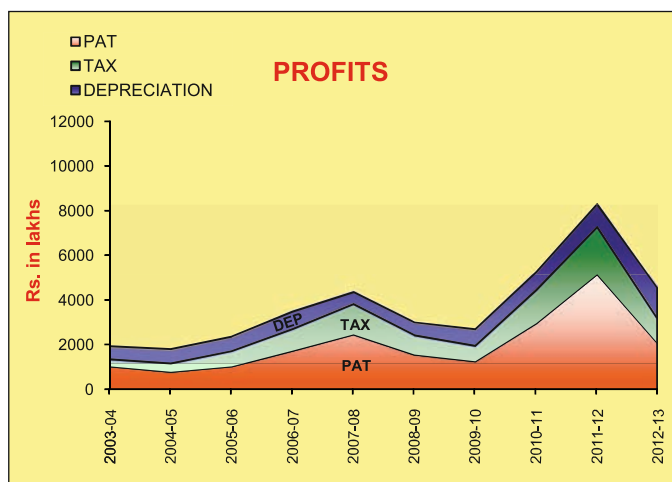
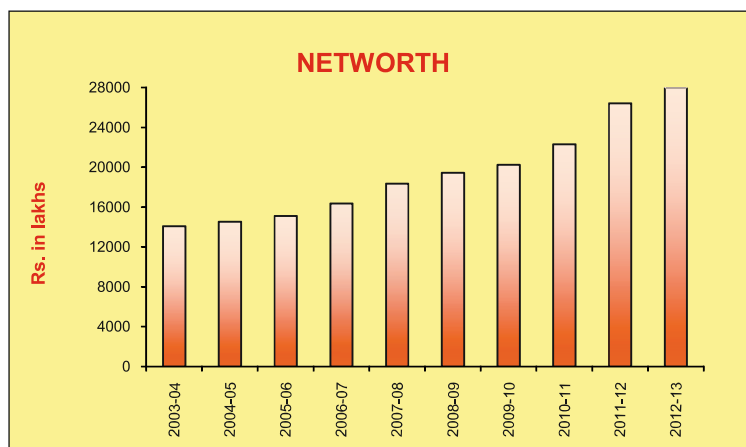
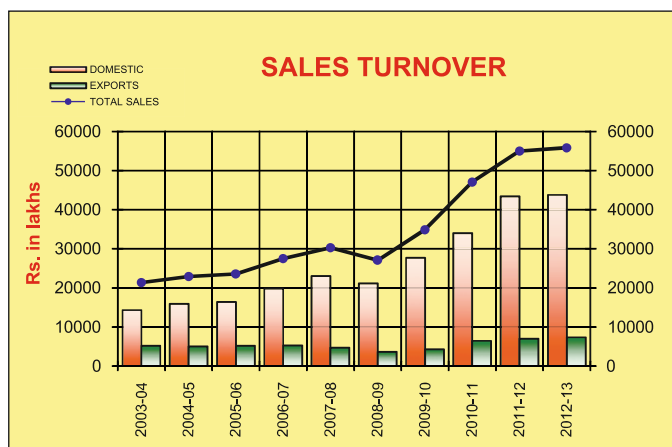




Power that touches lives !

# Ten Years Financial Performance



SALES TURNOVER (Rs. in Lakhs)				PROFIT (Rs. in Lakhs)					EPS (Rs.)	NETWORTH (Rs. in Lakhs)
YEAR	DOMESTIC	EXPORTS	TOTAL SALES	PBDT	DEPRE- CIATION	PBT	TAX	PAT		
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
2010-11	33823	6488	40311	5265	820	4445	1479	2966	29.24	22315
2011-12	43100	7033	50133	8304	1030	7274	2106	5168	50.95	26422
2012-13	43838	7399	51237	4501	1375	3126	1066	2060	20.31	28007

## 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. S. Yotsumoto**  
Whole Time Director

**Mr. Y. Matsumoto**

**Mr. Vinay Mittal**  
Whole Time Director

**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 & Co.  
Chartered Accountants  
Building No. 10, 8<sup>th</sup> 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, 2<sup>nd</sup> 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 Eighth Annual Report together with Audited Accounts of the Company for the year ended 31<sup>st</sup> March 2013.

## FINANCIAL RESULTS AND APPROPRIATIONS

Particulars	(Rs. in lacs)	
	Year Ended March 31, 2013	Year Ended March 31, 2012
Revenue from Operations	51,554.72	50,337.04
Other Income	697.49	1,108.06
Profit before depreciation and exceptional items	4,500.70	6,270.46
Depreciation	1,374.59	1,030.45
Exceptional items	-	2,033.82
Profit before tax	3,126.11	7,273.83
Provision for taxation		
- Current	735.81	1,969.55
- Deferred Tax	329.86	136.13
Profit after Tax	2,060.44	5,168.15
Balance of profit brought forward	13,293.08	9,705.90
Amount available for appropriation	15,353.52	14,874.05

## APPROPRIATIONS

Dividend	405.72	912.88
Tax on Dividend	68.95	148.09
General Reserves	206.00	520.00
Balance carried to Balance Sheet	14,672.85	13,293.08

## DIVIDEND

Your Directors recommend a dividend of Rs. 4/- per equity share of Rs. 10 each (40%) for the year ended 31<sup>st</sup> March 2013 (previous year 90%). The total outgo on this account (including dividend tax) will be Rs. 474.67 lacs.

## APPROPRIATIONS

It is proposed to transfer Rs. 206.00 lacs to General Reserve and retain the balance in Profit and Loss Account.

## DOMESTIC MARKETS AND EXPORTS

Your company achieved gross sales of Rs. 55,559 lacs in 2012-13 (as against Rs. 53,678 lacs in 2011-12) in domestic and export markets, thereby registering a growth of 3.5% over the previous year.

The year saw the introduction of the New 1kva generator which has received an encouraging response from the market. The technologically advanced EU series generators have shown robust growth.

During the year, your Company introduced a New Tiller cum Power Weeder model in the small 5.5 HP category for the domestic market.

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

## INDIGENISATION PROGRAMME

Your Company is continuously working on cost reduction by localization of critical parts with the help of Honda Motor Co. Ltd., Japan.

To achieve cost competitiveness, the Company is focusing on reducing the import content in GX series of Engines through localization. All critical parts in

these models have been identified and accordingly planning for localization of these parts has been done.

The Company will continue to further evaluate the feasibility of localization of other Model parts for saving and cost competitiveness with support from Honda Motor Co. Ltd., Japan.

## ENVIRONMENT PROTECTION & SAFETY

Your Company is committed towards the protection and safety of environment. All employees make efforts in daily operations 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:

- Installation of hot water based VAM (Vapour Absorption Machine) and commencement of recovery of waste heat from Engine jacket water through VAM for utilization in air conditioning of Office building. Commissioning of the same is for reducing the consumption of electric energy. However, since the system was commissioned in winter, the energy reduction could not be achieved during the current year. The benefits of reduction in energy are expected to be obtained from April 2013 onwards.
- Commencement of operation of variable speed type energy efficient Air Compressor from September 2012 onwards thereby reducing the electric energy consumption of compressors by 10%.
- Installation of LED (light emitting diode) Tubelights in new Assembly line.

Your Company is further planning to:

- Replace existing T5 tube lights with energy efficient LED tube lights.
- Replace the existing Metal Halide lamps with tube light fixtures
- Synchronize DG Sets for reduction in fuel consumption.
- Reduce Air consumption by replacing existing Air Guns used for component cleaning with energy efficient Air Guns operating at low air pressure and by installing solenoid valves in Air line of machines to shut off the air supply during machine idle time.

The products manufactured by your Company comply with the air emission and noise regulation norms notified by the Ministry of Environment and Forests (MOEF), Government of India. The 'Confirmation of Production' (COP) to the air emission and noise regulation is done as laid down by the 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 - B** and forms part thereof.

## DIRECTORS

Mr. H. Kanayama ceased to be Director of the Company with effect from the close of the working hours of March 31, 2013. Your Board places on record its deep appreciation for the services rendered by Mr. H. Kanayama during his tenure with the Company.

Mr. Y. Matsumoto was appointed as Director effective April 1, 2013. Your Board recommends the appointment of Mr. Y. Matsumoto as Director of the Company. Proposal for the appointment of Mr. Y. Matsumoto is being put up for your approval.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. Siddharth Shriram and Mr. Ravi V. Gupta, Directors of the Company 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.

The remuneration of Mr. Vinay Mittal from 01.04.2013 to 31.03.2014 (both days inclusive) has been approved by the Board on May 20, 2013 subsequent to the recommendation of the Remuneration Committee at its Meeting held on May 20, 2013. Your Board recommends the approval of remuneration of Mr. Vinay Mittal. Proposal for the same is being put up for your approval.

Necessary resolutions for the appointment / re-appointment and remuneration of the aforesaid Directors have been included in the Notice convening the Annual General Meeting.

As per the confirmations received, 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

### Statutory Auditors

The observations of Statutory Auditors in the report, read with the relevant Notes to Accounts are self explanatory and therefore, do not require further explanation.

M/s B S R & Co., 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.

The Auditors have represented that they have been subjected to the 'Peer Review Process' of The Institute of Chartered Accountants of India and hold a valid Certificate.

### Cost Auditors

As per the provisions of section 233B(1) of the Companies Act, 1956 and in accordance with the circular issued by the Ministry of Corporate Affairs, audit of the Company's Cost Accounts from the year ended March 31, 2013 has been made compulsory.

In pursuance to this, M/s Rakesh Singh & Co., Cost Accountants will be appointed as Cost Auditors of the Company for the financial year 2013-14 subject to approval of the Central Government and the cost audit report will be filed within the stipulated time period of one hundred and eighty days from the close of the financial year to which the report relates.

The Cost Auditors have certified that they are not disqualified under any of the provisions of section 224 (1B) read with Section 226 of the Companies Act, 1956 and that the appointment made is within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. A declaration to this effect has been submitted by the Auditors to the Audit Committee. A certification from the Cost Auditors of their being an independent firm of Cost Accountants and at arm's length relationship with the Company has also been submitted to the Audit Committee.

## 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 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 the 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](http://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.

## MANAGEMENT DISCUSSION & ANALYSIS

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

## MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY AFTER 31<sup>ST</sup> MARCH 2013

There were no material changes and commitments affecting the financial position of the company after 31<sup>st</sup> March 2013.

## 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 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 20, 2013

Siddharth Shriram  
Chairman

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

- Your company launched a New 1 kVA Generator, EP1000, which is made in India, to fill the needs of home and small business owners, who have been demanding an affordable and fuel efficient alternate power source for long power cuts. EP1000 has been developed focusing on customers looking for a dependable power solution in the tier 2 and tier 3 cities. This new generator is power packed with the unique Honda decompression technology for effortless starting and has found good acceptance in the marketplace, the advantages of which have reflected in the overall sales volume.
- Despite difficult economic situation, the Company was able to maintain the overall sales volume while registering a robust growth of 25% in the Advance Technology based EU series generators.
- The dismal power situation in the southern states helped your company to realize incremental business from that region.
- The increase in the fuel prices during the year made customers explore better technology products to keep their running expenses under control. The 'Eco Throttle' feature in our EU generators has helped our customers to reduce the operating costs. Our communication of such features and benefits as a means of reducing costs has helped in reaching out to new customers.

**Opportunities**

- The New EP1000 generator with its affordable pricing is expected to expand sales in the semi-urban and rural areas. As the income levels amongst the Indian Middle Class are rising, their aspiration to lead a comfortable life is expected to sustain and improve the demand for this model.
- The Government of India is poised to expand and integrate many social initiatives. Many of these are related to IT, Computerization and Education. The success of these initiatives requires investment in power back up as well. Your company has been making efforts to reach out to such potential customers to help them carry on their businesses consistently and sustainably.

**Concerns**

- The comparative prices of petrol viz-a-viz kerosene, coupled with the limited availability of kerosene is likely to impact demand. We are striving to promote fuel efficient petrol generators to help reduce running costs for consumers.
- Inflationary pressures on the raw materials costs leading to overall increase in production costs are likely to result in increased prices of the products. This may also affect customer demand.

**Outlook**

- The power deficit due to increased consumption is expected to continue and the need for uninterrupted power will be a key driver to stimulate and boost generators business.

**GENERAL PURPOSE ENGINES AND WATER PUMPING SETS**

- The demand for Engines and Pumps fell marginally due to deficient rains in parts of the country.
- Your company continued its effort in increasing its network. This proximity to the users helped in reaching out to many prospective customers.
- Northern areas continued to support the business of engines needed for sprayer application. Such business again highlights the advantages of light weight and portable Honda Engines.

**Opportunities**

- Farm mechanization led by increasing farm incomes, Government

support and scarcity of labour is expected to increase demand for our Engines and their application for agri use.

- The new and fuel efficient petrol Water Pumps and Engines of your company are expected to increase demand in areas where kerosene availability is limited.
- Government support schemes and subsidies continue to help us leverage our presence in these segments.

**Concerns**

- Increasing prices of fuels and less availability of the same in rural areas is affecting sentiments and demand.
- Rising raw material prices are likely to result in an increase in prices, affecting demand.

**Outlook**

- Farmers continue to get support from the retail market through better prices of farm products as well as from the Government in the form of subsidies in input material. The demand based on the above parameters is expected to grow.
- The construction and OEM (Original Equipment Manufacturer) market is also developing considering the better cost structure in India. Your company is looking at increasing its presence in these segments by working closely with small companies and manufacturers. Our overhead valve engines series is expected to boost this business in the years to come.
- Applications such as sprayers and back pack sprayers are gaining popularity and your Company is working very closely with select good quality assemblers to grow volumes and counter the low cost Chinese made imported products.

**BRUSH CUTTERS**

- Honda Brush Cutters have been able to provide an affordable and efficient mechanized solution to replace the manual operations for farm activity like de-weeding and harvesting.
- Increased support from the Government in areas such as plantations and horticulture are providing the impetus to grow this business.
- The Southern markets continue to be the major areas contributing to sales.
- Your Company strengthened its after sales support activity and also introduced a new variant that is expected to consolidate and reinforce its leadership position.

**TILLERS**

- The category is showing promising growth as new areas are developing to help sales expansion.
- A new Tiller model with features better suited to the customers' requirement was launched. The demand for this model for initial land preparation and de-weeding is steadily growing amongst progressive farmers.

**MARINE SEGMENT**

- To leverage the growth in tourism and development of water ways, the Company has launched Out Board Engines and LTOBs (Long Tail Out Board Engines) to cater to Marine Segment. Even though the beginning is small we do expect an encouraging response from this segment.

**EXPORTS**

- During the last quarter, your company launched two new Models in the 1 kVA category. Initial response has been encouraging.
- Total sales during the year were 80% of the previous year's performance. The decline was from the price competitive engine



category while generator and water pump business registered a growth. Sales of the better realization generator category were the highest ever.

- The Middle East region continued to generate maximum business for your Company.
- With the dismantling of trade controls, your Company introduced its generators in Pakistan.

#### **Concerns**

- Rising material cost and fluctuation of Indian Rupee against the US dollar may impact the margins of the Export business.
- The competitive market scenario limits the scope for price increments.

#### **Outlook**

- Supported by the launch of the new generator models, the company will persist with its strategy to explore new markets.

#### **THREATS, RISKS AND CONCERNS**

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

- Strict adherence to legal and Policy framework as required by Statute and Company Management. This is further ensured by way of regular updates at regular intervals and is further reconfirmed by status reports prepared by all departments of the organization for onward submission of consolidated status of compliances to the Board every quarter.
- Timely recording of all assets of the company in the books of accounts, physical verification process, adequate insurance coverage for all probable losses and for all concerned parties.
- Adherence to IT Security Policy designed by the Company with a view to avoid pilferage of sensitive data of the Company.

#### **INTERNAL CONTROLS AND SYSTEMS**

Your Company maintains an adequate and effective internal control system keeping in view its size and complexity. Properly well designed and documented policies, rules and circulars have been put in place, to ensure effective Management. These policies and rules are being further communicated to the lowest level of organization by way of formal and informal communication systems. The Internal Control System also ensures that financial statements are prepared in conformity with established accounting principles and practices. 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 program duly approved by the Audit Committee. This is further subject to a periodic review by the Management and Audit Committee in its Meeting attended by Statutory as well as Internal Auditors of the Company. To further appraise the internal control function, your Company has appointed well established firms to conduct internal audit / control verification for the Company under the direct supervision and control of Audit Committee.

Additionally, a sort of whistle blower mechanism, Business Ethics Proposal Line (BEPL) system has been implemented in the Company, which ensures reporting by any associate, dealer or vendor of the Company of any act being considered as not in line with Policy, Rules or Code of Conduct of the Company or if not found to be in line with prudent commercial practice, to the appropriate levels as detailed in the system document itself.

#### **FINANCIAL PERFORMANCE**

During the year 2012-13 the net sale was Rs. 512.37 Cr. as against Rs. 501.33 Cr. in the previous year. This represents an increase of 2.20% in terms of value over previous year.

Profit Before Tax and Exceptional Items for the year was Rs. 31.26 Cr. as against Rs. 52.40 Cr. in 2011-12.

#### **HUMAN RESOURCES**

During the year, Human Resource (HR) launched key initiatives in disseminating your Company's focus in retaining the market leadership position by innovating and customising its HR strategy to meet changing business and employee needs.

In view of the current business requirement and to achieve self reliance, a lot of attention was directed towards employee skill development, development of leadership capabilities and strengthening of Risk Management. Your Company continues to invest in its people to upgrade their technical domain by providing on job training.

To enhance communication and transparency within the organization, a dedicated intranet employee portal was launched to access information relating to Company philosophy, HR Policies and other official communications.

In order to listen and assess the satisfaction level of line associates, an independent employee satisfaction survey was conducted during the year, the survey findings of which were very encouraging and reflected that line associates remain proud to belong to the Company and that they had confidence in its Management team. Actions are being planned for necessary required process improvement and benefits to attain higher satisfaction level. Communication between Management and line associates continued at the Shop Floor level to build positive work environment.

Another way in which your Company makes its associates proud of belonging to the Company is by showing its commitment in promoting diversity with regard to gender equality, your company has recruited and trained women line associates at Shop Floor roles.

During the year the 4<sup>th</sup> All India Convention of the New Honda Circle was organized by your Company where participants from other Honda Genpos and Vendors shared and recognized outstanding quality circles. The event was a grand success and provided a good opportunity for associates to learn from each other.

Various employee engagement initiatives such as sports activities, long service awards, poster campaign and slogan competition were held during the year. Employees showed lot of enthusiasm and team spirit and appreciated such initiatives.

Your Company realises that education and health care play a key role in the development of society. With the help of a Non Government Organization camps were organised and as a part of corporate social responsibility initiative of the Company, free books, stationary, school bags and medicines were distributed to the underprivileged in the nearby areas of the factory at Greater Noida.

The Company, as on 31<sup>st</sup> March 2013, had 1023 associates.

#### **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.

**ANNEXURE - B 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 the plants energy efficient to the extent possible and continually reviews various areas 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:

- Commissioning of waste heat recovery based VAM (Vapour Absorption Machine) for air conditioning of old and new Office Building by utilizing the waste heat of Engine jacket water through hot water VAM, leading to reduction of emission of CO<sub>2</sub> and reduction in emission of ozone depleting type refrigerant gases, released during maintenance of refrigerant type of old Air Conditioning units installed in the Building.
- Replacement of conventional fixed speed type energy inefficient Air Compressors by energy efficient variable speed type Air Compressors which reduced electricity consumption & CO<sub>2</sub> emissions.
- The products manufactured by your Company comply with the air emission and noise regulation norms notified by the Ministry of Environment and Forests (MOEF), Government of India. The 'Confirmation of Production' (COP) to the air emission and noise regulation is done as laid down by the MOEF.

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

- Commencement of waste heat recovery of Engine jacket water through Hot water based VAM and using the waste heat for air conditioning of Office Building thus reducing the electric energy consumption. The energy reduction could not be achieved in current year as the system was commissioned in winter. The energy reduction benefits will be achieved from April 2013 onwards.
- Commencement of operation of variable speed type energy efficient Air Compressor thus reducing the electric energy consumption of compressors by 10% from September 2012 onwards.
- Installation of LED (light emitting diode) Tubelights in new Assembly line.
- Reduction in Natural Gas consumption in paint shop burners was achieved during the current year due to 12 months saving achieved in fuel by operation of waste heat recovery Boiler as compared to 7 months fuel saving in previous year.

**(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 2013-14:

- Replace existing T5 tube lights with energy efficient LED tube lights.
- Replace the existing Metal Halide lamps with tube light fixtures.
- Synchronize DG Sets for reduction in fuel consumption.
- Reduce Air consumption by replacing existing Air Guns used for component cleaning with energy efficient Air Guns operating at low air pressure and by installing solenoid valves in Air line of machines to shut off the air supply during machine idle time.

**(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. The thermal energy of fuel consumed in burners per unit production for the year 2012-13 is 16.44% lower than the immediate previous year due to utilization of waste heat of flue gases through waste heat recovery Boiler and other factors like product mix etc. 10% reduction in electric energy consumption of Air Compressor was achieved by commissioning of variable speed type Energy Efficient Compressors in August 2012 but the net electrical energy consumption per unit production is 5.9%, higher than the immediate previous year **due to various new model development trials and new Building expansion** which resulted into additional requirement of energy . The focus is continuing and is expected to be reduced in the year 2013-14 by about 2% over the year 2012-13 inspite of new production processes and machines planned to be added in 2013-14.



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

Particulars	Unit	Current Year 2012-13	Previous Year 2011-12
<b>A. Power and Fuel Consumption</b>			
1. Electricity			
(a) <u>Purchased</u>			
Quantity	kwh	11,39,308	18,07,850
Total Amount	Rs. (Lacs)	85.47	95.38
Rate / Unit	Rs./kwh	7.50	5.28
(b) <u>Own Generation</u>			
(i) Through Diesel Generator			
Quantity	kwh	1,81,391	6,90,128
HSD Qty	ltr	76,460	2,57,680
Unit per ltr of diesel oil	kwh/ltr	2.40	2.70
Cost / Unit	Rs./kwh	17.07	13.41
(ii) Through Gas Generator			
Quantity	kwh	40,22,646	28,56,778
LNG Qty	SCM	12,41,984	8,68,088
Unit per SCM of LNG	kwh/SCM	3.24	3.30
Cost / Unit	Rs./kwh	11.19	7.61
2. Coal			
Quantity (tonnes)		N.A.	N.A.
Total Amount		N.A.	N.A.
Average Rate		N.A.	N.A.
3. Furnace Oil			
(a) <u>Furnace HSD</u>			
Quantity (k.ltr)	k.ltr	N.A.	N.A.
Total Amount	Rs.	N.A.	N.A.
Average Rate	Rs./k.ltr	N.A.	N.A.
(b) <u>Furnace LPG</u>			
Quantity (kg)	kg	0	8,418
Total Amount	Rs.	0	4,65,015
Average Rate	Rs./kg	N.A.	55.24
(c) <u>Furnace Natural Gas (R-LNG)</u>			
Quantity (SCM)	SCM	3,55,664	4,41,355
Total Amount	Rs.	135,89,176	132,43,548
Average Rate	Rs./SCM	38.21	30.01
4. Others / internal generation			
Quantity		N.A.	N.A.
Total Cost		N.A.	N.A.
Rate / Unit		N.A.	N.A.
<b>B. Consumption per unit of Production</b>			
Production unit	No.	2,43,989	2,58,901
Electricity	kwh/Unit	21.90	20.68
Coal		N.A.	N.A.
Furnace oil		N.A.	N.A.
- HSD used in Burners of Furnace	ltr/Unit	N.A.	N.A.
- LPG used in Burners of Boiler / Furnace	kg/Unit	0	0.03
- Natural Gas (R-LNG) used in Burners of Furnace	SCM/Unit	1.46	1.70

## 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.
- Substantial reduction in hazardous substances in product and processes.
- Development of following more efficient and technologically advanced Inverter Generator Models:
  - Recoil start                      - EU30i
  - Self start                          - E30is / EU65is
- Started development of GX160/200 (OHV Engines) for domestic market.
- Development of 1 kVA model for developing countries and domestic market.
- Development of new model for developed/advance countries.

##### 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	:	Nil
c) Total	:	Nil
d) Total R & D expenditure as a percentage of total turnover	:	N.A.

##### 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 the job training and guidance to the Company's engineers and technicians.

For development of new technology model and to improve the manufacturing quality of inplant / outplant parts, new manufacturing facility has been added in the following areas:

- 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.
- Implementation of low cost fuel i.e. piped natural gas in Furnaces of Paint Shop and Pressure Die Casting.
- Expansion of Dry off Oven in Paint Shop for painting of GX160/200 (OHV) Engine Fuel Tank.
- Expansion of Pressure Die Casting Shop to accommodate GX/1kVA new Model Pressure Die Casting parts.

- Expansion of Alternator Shop for production of Alternator for Inverter Generator Model.
- New addition of Global Assembly Line for assembly of Generator Model for advanced / developed Countries.

For giving guidance on specific matters related to indigenization, improvement of manufacturing method and quality, experts from Honda Motor Co., Ltd., 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.
- Development of new Genset Model of EU series.

##### 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 is 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/ revamped from time to time and valid for a period of 5 years till March 31, 2017.

##### 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 23 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 :

1. Developed business from new markets in Pakistan.
2. Maximized sales from the high volume Saudi Arabian market.

### (b) Total foreign exchange used and earned:

The foreign exchange outgo was Rs. 19,850.81 lacs on account of imports and payment of royalty etc. as against foreign exchange inflow of Rs. 7,144.13 lacs through exports.

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

Corporate Governance ensures fairness, transparency and integrity of the Management. The Company believes that sound Corporate Governance is critical for enhancing and retaining investor trust and thus seeks to ensure that its performance goals are met with integrity. The Company has established systems and procedures to ensure that its Board is well informed and well equipped to fulfill its overall responsibilities and to provide Management with the strategic direction needed to create long term shareholders value. The Company maintains highest levels of transparency, accountability and good Management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal and ethical responsibilities. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good Corporate Governance.

The Company strives to foster a corporate culture in which high standards of ethical behavior, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its Board of Directors, Management and Employees.

The Company has set to itself the objective of expanding its capacities and becoming globally competitive in its business. The Company is committed to meeting the aspirations of all the stakeholders. This is also embodied in the corporate vision of the Company which states that **"Honda Siel Power Products Limited would like to be a Company which Society would want to exist."**

The Directors fully endorse and support the essentials of Corporate Governance and accordingly hereinbelow 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 three Executive Directors and five 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, five Board Meetings were held on May 23, July 26, August 31, November 05, 2012 and February 14, 2013. A resolution by Circulation was passed on December 29, 2012. 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, number of Directorships in Indian Public Limited Companies and Membership of Committee(s) (Audit and Shareholders/Investors Relations Committee) of the Board of such Companies are as follows:

Name of the Director	Category	Attendance at the last AGM	Number of Board Meeting(s) attended	Number of Directorship in other Companies	Number of Committee Membership including (Chairmanship)
Mr. Siddharth Shriram	ID/NED	Yes	5	4	3(2)
Mr. T. Hamasaki	Non ID/ ED	Yes	5	NIL	2
Mr. S. Yotsumoto	Non ID/ ED	Yes	4	NIL	NIL
Dr. D. V. Kapur	ID/NED	Yes	5	5	6 (4)
Mr. O. P. Khaitan	ID/NED	Yes	5	8	10 (4)
Mr. R. V. Gupta	ID/NED	Yes	5	5	6(2)
Mr. H. Kanayama*	Non ID/ NED	Yes	3	1	NIL
Mr. Vinay Mittal*	Non ID/ ED	Yes	5	NIL	1
Mr. T. Nagai**	Non ID/ NED	NA	NA	NA	NA
Mr. M. Saito**	Non ID/ NED	NA	NA	NA	NA

ID- Independent Director

ED- Executive Director

NED- Non- Executive Director

Note:

- a) \* Appointed as Director w.e.f. 01.04.2012.
- b) \*\* Ceased to be Director w.e.f. 01.04.2012.
- c) Directorships held by Directors as mentioned above, do not include Alternate Directorship and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.
- d) In accordance with clause 49, Membership / Chairmanship of only the Audit Committee and Shareholders/Investors Relations Committee of Public Limited Companies have been considered.
- e) 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 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 Independent Directors. Chairman of the Committee is an Independent Director and has expertise in accounting and related Financial Management. 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 for ensuring compliance thereof and accordingly the adequate follow up actions are taken.

The Chief Financial Officer, Statutory Auditors, Internal Auditors and Cost Auditors attend the meetings of Audit Committee. Company Secretary acts as the Secretary to the Committee. During the financial year 2012-13, Audit Committee met four times on May 23, July 26, November 05, 2012 and February 14, 2013. Constitution of the Committee and attendance of the members at the meetings are as under:

Name of the Member	Status	Number of Meetings attended
Dr. D.V. Kapur	Chairman	4
Mr. R.V. Gupta	Member	4
Mr. O.P. Khaitan	Member	4
Mr. T. Hamasaki*	Member	4
Mr. T. Nagai**	Member	NIL

\* Appointed as Member w.e.f. 01.04.2012.

\*\* Ceased to be Member w.e.f. 01.04.2012.

#### 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 loss, consolidation, splitting, transmission, transposition, dematerialization, rematerialisation of shares, endorsement on Fully Paid share certificates and for review and redressal of investor grievances. Sufficient powers have been delegated to this Committee. The power of approving transfer of shares, consolidation, splitting, transmission (except for cases of transmission where the heirs of the deceased shareholder do

not produce full documentary evidence of their title to shares), rematerialisation of shares, endorsement on Fully Paid share certificates have further been sub-delegated by the Committee to the Company Secretary of the Company.

The Committee met four times during the year on May 23, July 26, November 05, 2012 and February 14, 2013. Attendance of the members at the meetings was as follows:

Name of the Member	Status	Number of Meetings attended
Dr. D. V. Kapur	Chairman	4
Mr. Siddharth Shriram	Member	4
Mr. T. Hamasaki	Member	4
Mr. S. Yotsumoto*	Member	2
Mr. Vinay Mittal	Member	4

\* Ceased as Member effective 06.11.2012.

#### **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) Regulations, 1992 and the Listing Agreement entered into with the Stock Exchanges.

#### **Investor Grievance Redressal**

As on March 31, 2013, your Company had 12130 investors. During the year under review, the status of complaints was as follows:

Particulars	Received	Redressed	Balance
Non-receipt of shares sent for Transfer/ Transmission/ Duplicate/ Demat	1	1	NIL
Non-receipt/ Revalidation of Dividend Warrants	12	12	NIL
Others/Miscellaneous	11	11	NIL

#### **iii. Board Committee on Financial Matters**

The Board Committee on Financial Matters met two times during the year on July 16, 2012 and January 12, 2013. Attendance of the Members at the meetings was as follows:

Name of the Member	Status	Number of Meetings attended
Mr. T. Hamasaki	Chairman	2
Mr. Siddharth Shriram	Member	2
Mr. S. Yotsumoto	Member	2
Mr. Vinay Mittal*	Member	2

\* Appointed as Member effective 01.04.2012.

The Company Secretary acts as the Secretary of the Committee.

#### **iv. Remuneration Committee**

The Committee comprises of three Non-Executive Independent Directors. The Committee was formed to review and recommend the compensation payable to the Whole Time Directors of the Company. While 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.

The Company Secretary acts as the Secretary of the Committee.

During the year, no Remuneration Committee Meeting was held.

#### **Remuneration Policy**

The remuneration payable to Whole Time Directors is recommended by the Remuneration Committee to the Board of Directors for their approval thereon. However, such remuneration is subject to the approval of 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 for similarly placed persons, financial position of the Company etc. The remuneration structure of the Whole Time Directors comprises Basic Salary, Perquisites and Allowances, contribution to Provident Fund and other funds in accordance with the provisions of the relevant laws and the Companies Act, 1956.

#### Details of remuneration paid to Directors for the year 2012-13

##### A. Executive Directors

The details of the remuneration paid to the Whole Time Director(s) during the year 2012-13 are as under:

Name	Salary	Perquisites/ Retiral benefits	Service Contract
	Amount in Rs.		
Mr. T. Hamasaki	82,80,000	10,16,327	01.04.2010 to 31.03.2015
Mr. S. Yotsumoto	83,70,000	11,35,024	01.04.2011 to 31.03.2016
Mr. Vinay Mittal	43,36,296	12,87,092	01.04.2012 to 31.03.2017

##### B. Non-Executive Directors

Details of sitting fees paid during the year 2012-13 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	1,00,000	-	80,000	40,000	-	2,20,000
Dr. D. V. Kapur	1,00,000	80,000	80,000	-	-	2,60,000
Mr. O. P. Khaitan	1,00,000	80,000	-	-	-	1,80,000
Mr. R. V. Gupta	1,00,000	80,000	-	-	-	1,80,000

- Mr. H. Kanayama, Director nominated by Honda Motor Co., Ltd., Japan submitted a letter of waiver for sitting fee of the Board and Committee thereof.

#### 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
2011-12	August 31, 2012	1030 hours	Kamani Auditorium No. 1, Copernicus Marg, New Delhi - 110 001	No special resolution was passed.
2010-11	August 10, 2011	1015 hours		
2009-10	August 19, 2010	1015 hours		

No resolution was passed through Postal Ballot during the year 2010-11 and 2011-12. During the year 2009-10, the Company had passed a special resolution for shifting of Registered Office of the Company from the State of Uttar Pradesh to the National Capital Territory of Delhi and accordingly for alteration of Memorandum of Association of the Company.

#### 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 Note No. 34 of Notes to Financial Statement for the year ended March 31, 2013.
- (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-compliance, 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 financial results for the year ended March 31, 2012, quarter ended June 30, 2012, quarter and six months ended September 30, 2012 and quarter and nine months ended December 31, 2012 in English and Hindi language newspapers.
2. The results of the Company are also displayed on the Company's website [www.hondasielpower.com](http://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. 28<sup>th</sup> Annual General Meeting

Day, Date & Time	:	Monday, August 05, 2013, 10.30 A.M.
Venue	:	Kamani Auditorium, 1, Copernicus Marg, New Delhi - 110 001.
Financial Year	:	Year ended March 31, 2013.
Book Closure	:	July 27, 2013 to August 05, 2013 (both days inclusive).
Dividend Payment Date	:	September 02, 2013.

### ii. Tentative Financial Calendar 2013-14

(Subject to change)

The tentative dates for approval of Unaudited / Audited Financial Results for 2013-14, are as follows:

Quarter ending June 30, 2013	2nd week of August, 2013
Quarter ending September 30, 2013	2nd week of November, 2013
Quarter ending December 31, 2013	2nd week of February, 2014
Quarter ending March 31, 2014	Last week of April, 2014 (Unaudited) / Last week of May 2014 (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 2004-05 to Investor Education and Protection Fund constituted by the Central Government. Details of unclaimed dividend as on March 31, 2013 are given hereunder:

Period	Rate (%)	Date of declaration	Date of payment	Unclaimed dividend (Rs.)
2005-2006	40	27.07.2006	05.08.2006	3,56,632
2006-2007	40	26.07.2007	01.08.2007	3,16,384
2007-2008	40	10.09.2008	16.09.2008	3,17,101
2008-2009	40	07.09.2009	18.09.2009	3,88,696
2009-2010	40	19.08.2010	31.08.2010	3,84,020
2010-2011	75	10.08.2011	31.08.2011	6,80,895
2011-2012	90	31.08.2012	21.09.2012	7,34,076

### iv. Listing on Stock Exchanges and Stock Codes

The names and addresses of the Stock Exchanges on 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 <sup>th</sup> Floor, Dalal Street, Fort, Mumbai - 400 001.	522064
The National Stock Exchange of India Ltd. (NSE) 5 <sup>th</sup> Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.	HONDAPOWER

Listing fees for the year 2013-2014 has since been paid to BSE and NSE.

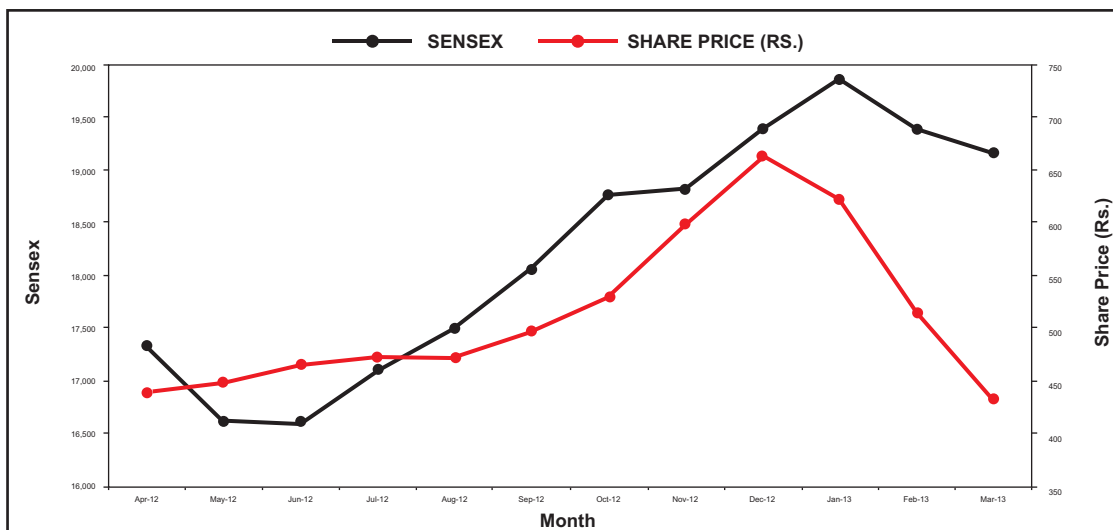
#### v. Stock Market Data

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 2012	509.00	370.00	5,55,392	509.00	369.00	9,14,893
May 2012	484.00	417.00	1,12,095	479.80	418.00	1,97,856
June 2012	488.00	425.80	32,667	509.00	422.00	62,648
July 2012	504.90	442.35	2,12,543	506.40	440.00	2,77,326
August 2012	549.00	446.05	23,976	499.00	445.00	58,269
September 2012	532.00	470.75	1,49,763	534.90	460.00	2,08,498
October 2012	574.90	495.00	89,219	574.95	485.95	1,64,792
November 2012	668.30	508.60	64,007	666.95	531.25	2,08,374
December 2012	707.00	611.95	70,581	710.95	615.20	1,75,789
January 2013	689.00	560.00	77,338	689.20	555.00	1,23,076
February 2013	591.90	444.05	27,220	584.50	445.35	60,564
March 2013	484.00	380.00	49,915	485.20	380.25	71,931

#### 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, 2<sup>nd</sup> 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, U.P. - 201 306.  
 Phone Nos: 0120-2590221, 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, 2013

No. of Equity Shares	Number of	% to total	No. of shares	% of share capital
	Shareholders			
1 to 500	11,420	94.147	10,11,862	9.976
501 to 1000	375	3.092	2,80,265	2.763
1001 to 2000	168	1.385	2,53,949	2.504
2001 to 3000	56	0.462	1,38,633	1.367
3001 to 4000	25	0.206	86,259	0.85
4001 to 5000	16	0.132	73,086	0.721
5001 to 10000	35	0.289	2,59,046	2.554
10001 and above	35	0.289	80,39,971	79.266
Total	12,130	100	1,01,43,071	100

### x. Pattern of shareholding as on March 31, 2013

Categories	No. of Shares	Shareholding (%)
Promoters	68,63,433	67.67
Bodies Corporate	9,16,823	9.04
NRIs, FIIs, OCBs etc.	3,06,996	3.03
Mutual Funds, Banks, FIs	4,007	0.04
Individuals	20,27,075	19.99
Others (Clearing Members & Trust)	24,737	0.23
<b>Total</b>	<b>10,143,071</b>	<b>100</b>

### xi. Dematerialization of shares and liquidity

97.49% of total equity capital is held in dematerialised form with NSDL and CDSL as on March 31, 2013. During the year, (i.e. from 01-04-2012 to 31-03-2013) 226 share certificates involving 10792 shares were dematerialized by the shareholders representing 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, U.P. - 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. It is also regularly uploaded on the website of the Company.

**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, 2013 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. The certificate is annexed as **Annexure - E**.

**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, 2013, 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, Whole Time Director and 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 2012-13 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 we have disclosed 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**  
**Whole Time Director &**  
**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, 2013 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 15, 2013

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

## Independent Auditors' Report

To the Members of **Honda Siel Power Products Limited**

### Report on the Financial Statements

We have audited the accompanying financial statements of Honda Siel Power Products Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

### Management responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on other legal and regulatory requirements

1. 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 Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. 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;
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
  - e. on the basis of written representations received from the directors as on 31 March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **BSR & Co.**

Chartered Accountants

Firm Registration No.: 101248W

**Rajesh Arora**

Partner

Membership No.: 076124

Place: New Delhi

Date : 20 May 2013

**Annexure to the Auditors' report**

(Referred to in our report of even date)

- (i) (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 regular programme of physical verification of its fixed assets in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were physically verified by the Company during the current year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) Fixed asset disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.
- (ii) (a) The inventory, except materials-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
- (b) The procedures for the 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) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) 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.
- (iv) 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.
- (v) (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 lakh with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time except for purchases of certain items of inventories and fixed assets which are for the Company's specialised requirements and similarly for sale of certain goods for the specialised requirements of the buyers and for which suitable alternative sources are not available to obtain comparable quotations. However, on the basis of information and explanations provided, the same appear reasonable.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) 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 Section 209(1)(d) 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.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income tax, Wealth tax, Excise duty, Service tax, Customs duty and other material statutory dues have been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases of Sales tax and Professional tax.
- 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, Wealth tax, Service tax, Customs duty, Excise duty, Sales tax and other material statutory dues were in arrears as at 31 March 2013 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 and Customs duty which have not been deposited with the appropriate authorities on account of any dispute. Further, according to the information and explanations given to us, except as stated below, there are no dues of Income tax, Sales tax, Service tax and Excise duty which have not been deposited by the Company on account of disputes:

Name of the Statute	Forum where dispute is pending/Remarks	Amount (Rs in lakhs) (#)	Period to which amount relates	Nature of dues
Income-tax Act , 1961	Commissioner of Income Tax (Appeals)	36.89	1995-1996	Penalty
	Commissioner of Income Tax (Appeals)	99.11	2002-2003	Various disallowances
	Commissioner of Income Tax (Appeals)	189.53	2003-2004	Various disallowances
	Income Tax Appellate Tribunal	127.91	2004-2005	Various disallowances
	Commissioner of Income Tax (Appeals)	30.90	2004-2005	Various disallowances
	Income Tax Appellate Tribunal	298.44	2005-2006	Various disallowances
	Income Tax Appellate Tribunal*	802.43	2007-2008	Various disallowances
	Income Tax Appellate Tribunal	103.55	1998-1999	Various disallowances
	Income Tax Appellate Tribunal*	465.11	2006-2007	Various disallowances
	Commissioner of Income Tax (Appeals)	49.25	2004-2005	Penalty
Various Sales Tax Act	Commissioner of Income Tax (Appeals)	302.00	2005-2006	Penalty
	High Court	2.66	1999-2000	Other disallowances
	WBCT Appellate & Revision Board	21.12	2000-2001	Dispute on enhancement of sales and rejection of stock transfer
	Sales Tax Tribunal	3.66	2000-2001	Dispute on enhancement of sales and rejection of stock transfer
	Sales Tax Tribunal	1.31	2001-2002	Dispute on enhancement of sales and rejection of stock transfer
	Additional Commissioner	0.52	2001-2002	Various disallowances
	Deputy Commissioner Appeals II	22.18	2001-2002	Dispute due to sales tax rates
	Deputy Commissioner Commercial Taxes	1.19	2003-2004	Non submission of sales tax forms
	Deputy Commissioner Commercial Taxes	0.15	2002-2003	Non submission of sales tax forms
	Sales Tax Tribunal	18.68	2004-2005	Various disallowances
	Joint Commissioner (Appeal)	5.96	2004-2005	Various disallowances
	Joint Commissioner (Appeal)	0.92	2005-2006	Various disallowances
	Sales Tax Tribunal	21.65	2007-2008	Dispute on sales tax rates
	The Appellate Authority	1.78	2007-2008	Non submission of sales tax forms
	Deputy Commissioner Appeals II	8.54	2008-2009	Dispute on enhancement of sales and rejection of stock transfer
	Deputy Commissioner Appeals	22.83	2009-2010	Dispute on enhancement of sales and rejection of stock transfer
	Joint Commissioner (Appeal)	2.80	2010-2011	Various disallowances
	Custom Excise Service Tax Appellate Tribunal*	42.32	1999-2002	Service Tax on royalty
	Custom Excise Service Tax Appellate Tribunal*	33.08	1999-2004	Service Tax on royalty
	Custom Excise Service Tax Appellate Tribunal	1.55	1997-1998	Service Tax on goods transport
Finance Act, 1994 - Service tax	High Court - Department in appeal	6.65	2005-2007	In-eligibility of cenvat credit
	Custom Excise Service Tax Appellate Tribunal*	41.22	2000-2003	Inclusion of expenses in assessable value
	Custom Excise Service Tax Appellate Tribunal*	27.69	2005-2006	Inclusion of expenses in assessable value
	Custom Excise Service Tax Appellate Tribunal*	29.22	2004-2005	Inclusion of expenses in assessable value
	High Court - Department in Appeal	178.08	2003-2004	Dispute on rate of duty
	Custom Excise Service Tax Appellate Tribunal*	1,201.14	2000-2002	Disputes on duty on stock transfer
	Custom Excise Service Tax Appellate Tribunal	2.12	2003-2004	Other disallowances
	Custom Excise Service Tax Appellate Tribunal*	1,416.86	2001-2004	Disputes on duty on stock transfer
	Custom Excise Service Tax Appellate Tribunal-Department in appeal	145.32	2002-2003	Wrong availment of cenvat credit
	Supreme court - Department in appeal	211.67	2002-2003	Disputes on differential duty
Central Excise Act, 1944	Custom Excise Service Tax Appellate Tribunal	8.88	2000-2003	Inclusion of expenses in assessable value
	Commissioner (Appeals)	2.70	2006-2007	Inclusion of expenses in assessable value
	Commissioner (Appeals)	0.72	2009-2010	Inclusion of expenses in assessable value
	Commissioner (Appeals)	0.51	2010-2011	Inclusion of expenses in assessable value
	Custom Excise Service Tax Appellate Tribunal	21.58	2004-2007	Penalty

\* The Company has obtained stay orders from the Appellate authorities

# Amounts disclosed are net of total amount paid under protest of Rs. 1,442.93 lakhs which has been shown under Long-term loans and advances.

- (x) The Company does not have any accumulated losses and has not incurred cash losses in the current year and immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding dues to its bankers or any financial institution or debenture holders during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) 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.
- (xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xv) 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.
- (xvi) According to the information and explanations given to us, the Company did not have any term loans outstanding during the year.
- (xvii) 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.
- (xviii) The Company has not made any preferential allotment of shares during the year.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by way of public issues during the year.
- (xxi) 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 BSR & Co.**  
 Chartered Accountants  
 Firm Registration No.: 101248W  
**Rajesh Arora**  
 Partner  
 Membership No.: 076124

Place: New Delhi  
Date : 20 May 2013

**Balance sheet as at 31 March 2013**

	Note No.	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	1,014.31	1,014.31
Reserves and surplus	4	26,993.16	25,407.39
		28,007.47	26,421.70
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	5	478.37	148.51
Other long-term liabilities	6	170.37	180.05
Long-term provisions	7	199.54	193.14
		848.28	521.70
<b>Current liabilities</b>			
Trade payables	8	5,491.03	5,889.77
Other current liabilities	9	1,499.76	2,026.74
Short-term provisions	10	576.55	1,197.77
		7,567.34	9,114.28
		36,423.09	36,057.68
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible fixed assets	11	11,249.95	7,474.40
Intangible fixed assets	12	477.63	217.41
Capital work in progress	11	92.29	1,028.95
Intangible fixed assets under development	12	7.21	-
Long-term loans and advances	13	2,795.10	2,252.18
		14,622.18	10,972.94
<b>Current assets</b>			
Inventories	14	10,546.15	7,115.14
Trade receivables	15	2,816.22	2,538.65
Cash and bank balances	16	5,835.42	13,035.55
Short-term loans and advances	17	2,584.74	1,944.21
Other current assets	18	18.38	451.19
		21,800.91	25,084.74
		36,423.09	36,057.68
<b>Significant accounting policies</b>	2		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

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

**Rajesh Arora**  
 Partner  
 Membership No. : 076124

For and on behalf of the Board of Directors of  
**Honda Siel Power Products Limited**

<b>Siddharth Shriram</b>	Chairman
<b>D.V. Kapur</b>	Director
<b>O.P. Khaitan</b>	Director
<b>Ravi V. Gupta</b>	Director
<b>T. Hamasaki</b>	President & CEO
<b>Vinay Mittal</b>	Whole time Director & CFO
<b>Payal Chaddha</b>	Company Secretary

Place: New Delhi  
 Date : 20 May 2013



**Statement of Profit and Loss for the year ended 31 March 2013**

	Note No.	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
<b>Revenue</b>			
Revenue from operations	19		
Sale of products (gross)		54,829.80	52,142.07
Sale of services		14.72	252.81
Other operating revenues		1,032.19	1,487.45
		<u>55,876.71</u>	<u>53,882.33</u>
Less: Excise duty		<u>4,321.99</u>	<u>3,545.29</u>
		<u>51,554.72</u>	50,337.04
Other income	20	697.49	1,108.06
<b>Total revenue</b>		<u>52,252.21</u>	<u>51,445.10</u>
<b>Expenses</b>			
Cost of materials consumed	21	31,021.47	28,084.00
Purchases of stock in trade	22	4,716.94	3,303.33
Changes in inventories of finished goods, stock in trade and work in progress	23	(2,603.17)	829.60
Employee benefits	24	4,272.00	3,617.82
Depreciation and amortization	25	1,374.59	1,030.45
Other expenses	26	10,344.27	9,339.89
<b>Total expenses</b>		<u>49,126.10</u>	<u>46,205.09</u>
<b>Profit before exceptional items and tax</b>		3,126.11	5,240.01
<b>Exceptional items</b>	27	-	2,033.82
<b>Profit before tax</b>		3,126.11	7,273.83
Tax expense			
Current tax		735.81	1,969.55
Deferred tax		329.86	136.13
<b>Profit for the year</b>		<u>2,060.44</u>	<u>5,168.15</u>
<b>Earnings per equity share (Rs.)</b>	39		
Basic - Par value of Rs. 10 per share		20.31	50.95
Diluted - Par value of Rs. 10 per share		20.31	50.95
<b>Significant accounting policies</b>	2		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

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

**Rajesh Arora**  
Partner  
Membership No. : 076124

Place : New Delhi  
Date : 20 May 2013

For and on behalf of the Board of Directors of  
**Honda SIEL Power Products Limited**

<b>Siddharth Shriram</b>	Chairman
<b>D.V. Kapur</b>	Director
<b>O.P. Khaitan</b>	Director
<b>Ravi V. Gupta</b>	Director
<b>T. Hamasaki</b>	President & CEO
<b>Vinay Mittal</b>	Whole time Director & CFO
<b>Payal Chaddha</b>	Company Secretary

## Cash Flow Statement for the year ended 31 March 2013

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	3,126.11	7,273.83
Adjustments:		
Depreciation and amortisation	1,374.59	1,030.45
Interest income	(578.78)	(929.92)
Net profit on sale of fixed assets	(10.16)	(5.76)
Unrealised foreign exchange differences	29.10	23.75
Provision for doubtful debts written back	-	(8.04)
Liabilities no longer required written back	(74.27)	(145.62)
Exceptional items	-	(2,033.82)
Provision for slow moving inventory	25.61	-
	<b>3,892.20</b>	<b>5,204.87</b>
<b>Operating cash flow before working capital changes</b>		
(Increase)/ decrease in inventories	(3,456.62)	603.17
(Increase) in trade receivables	(300.17)	(1,205.86)
(Increase) in short term loans and advances	(640.53)	(282.18)
(Increase) in long term loans and advances	(226.03)	(4.34)
(Decrease)/increase in trade payables	(330.94)	1,818.40
(Decrease)/increase in other current liabilities	(524.03)	589.51
(Decrease)/increase in short term provisions	(33.07)	41.70
Increase in other long term provisions	6.40	53.40
(Decrease)/increase in long term liabilities	(9.68)	(8.22)
	<b>(5,514.67)</b>	<b>1,605.58</b>
<b>Cash generated from operations</b>	<b>(1,622.47)</b>	<b>6,810.45</b>
Income taxes paid	(1,416.87)	(1,994.09)
<b>Net cash (used)/provided by operating activities</b>	<b>(3,039.34)</b>	<b>4,816.36</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (tangible and intangible fixed assets, capital work-in-progress, intangible assets under development)	(4,143.44)	(3,348.25)
Proceeds from sale of tangible fixed assets	27.76	2,477.56
Fixed deposit matured during the year	14,708.58	9,566.00
Amount invested in fixed deposit	(7,931.00)	(10,783.13)
Capital tax gains paid upon disposal of property at Rudrapur (Refer to note 28)	-	(396.10)
Interest received	1,011.59	772.70
<b>Net cash provided/(used) by investing activities</b>	<b>3,673.49</b>	<b>(1,711.22)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividend on equity shares paid	(908.58)	(757.59)
Tax paid on dividends	(148.09)	(126.35)
Unpaid dividend paid	(4.30)	(3.14)
<b>Net cash used by financing activities</b>	<b>(1,060.97)</b>	<b>(887.08)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(426.82)</b>	<b>2,218.06</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>2,647.02</b>	<b>428.88</b>
<b>Effect of exchange differences on cash and cash equivalents held in foreign currency</b>	<b>(0.03)</b>	<b>0.08</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>2,220.17</b>	<b>2,647.02</b>
<b>Notes to cash flow statement</b>		
1. Components of cash and cash equivalents:		
Cash on hand	10.12	4.51
Cheques on hand	618.81	157.98
Balances with banks:		
- Current accounts	816.24	477.20
- Deposit accounts (with original maturity of three months or less)	775.00	2,007.33
<b>Cash and cash equivalents</b>	<b>2,220.17</b>	<b>2,647.02</b>
2. The notes referred to above form an integral part of the financial statements.		

As per our report of even date attached

For **B S R & Co.**

Chartered Accountants

Firm Registration No.:101248W

**Rajesh Arora**

Partner

Membership No. : 076124

Place : New Delhi

Date : 20 May 2013

For and on behalf of the Board of Directors of

**Honda SIEL Power Products Limited**

**Siddharth Shriram**

**D.V. Kapur**

**O.P. Khaitan**

**Ravi V. Gupta**

**T. Hamasaki**

**Vinay Mittal**

**Payal Chaddha**

Chairman

Director

Director

Director

President & CEO

Whole time Director & CFO

Company Secretary

## Notes to the financial statements for the year ended 31 March 2013

### 1. Company overview

Honda SIEL Power Products Ltd. is a public company domiciled and headquartered in India. It is incorporated under the Companies Act, 1956 and its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is primarily engaged in manufacturing and marketing the portable gensets, water pumps, general purpose engines, lawn mowers, brush cutters and tillers. The Company caters to both domestic and international markets.

### 2. Significant accounting policies

#### i) Basis of preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government, the relevant provisions of the Companies Act, 1956 and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest lakhs.

#### ii) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

#### iii) Current–non-current classification

All assets and liabilities are classified into current and non-current.

##### Assets

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

##### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

##### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

#### iv) Fixed assets and depreciation

##### Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Tangible fixed assets under construction are disclosed as capital work in progress.

Depreciation is provided on the straight-line method over the estimated useful life of each asset as determined by the management. 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:

Plant and equipment	
- Dies	20.00% per annum
- Jigs and fixtures	20.00% per annum
Furniture and fixtures	12.50% per annum
Vehicles	
- Cars and Jeeps	20.00% per annum
Office equipment	20.00% per annum
Computers	33.33% per annum

**Notes to the financial statements for the year ended 31 March 2013**

Freehold land is not depreciated.

Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

Leasehold land is amortised on a straight line basis over the period of lease i.e. 90 years.

Plant & equipment and furniture & fixtures, costing individually 5,000 or less, are depreciated fully in the year of purchase.

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

**Intangible fixed assets****Acquired intangible assets**

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Intangible assets are amortised in profit or loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis.

Intangible assets comprises technical knowhow - model fee, technical knowhow - others and computer software.

The amortisation rates are as follows:

Technical knowhow – Model fee	20.00% per annum
Technical knowhow – Others	16.67% per annum
Computer software	33.33% per annum

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

**v) Impairment**

The fixed assets (tangible and intangible) 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 Statement of Profit and Loss. 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.

**vi) Inventories**

Inventories which comprise raw materials, work in progress, finished goods, stock-in-trade, stores and spares and loose tools are carried at the lower of cost and net realisable value.

Cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

In determining the cost, weighted average cost method is used. In the case of manufactured inventories and work in progress, fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

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.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

**vii) Employee benefits****Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

**Post employment benefits****Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts.

**(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 Statement of Profit and Loss.

**Defined benefit plans****(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

**Notes to the financial statements for the year ended 31 March 2013**

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 Statement of Profit and Loss. In addition the Company provides for the interest shortfall, if any.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss.

**Compensated Absences**

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

**viii) Revenue recognition**

Revenue from sale of goods in the course of ordinary activities is recognized when property in the goods or all significant risks and rewards of their ownership are transferred to the customer which generally coincides with despatch against orders from customers in accordance with the contract terms and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

In view of the nature of services rendered, revenue from services is recognised under the proportionate completion method provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection of the consideration. The amount recognised as revenue is exclusive of sales tax, value added taxes (VAT) and service tax, and is net of returns, trade discounts and quantity discounts.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

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.

**ix) Foreign exchange 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 Statement of Profit and Loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian rupees at the closing exchange rates on that date. The resultant exchange differences are recognised in the Statement of Profit and Loss.

**x) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

**Warranties and Service Coupon costs**

Warranty and service coupon costs are estimated on the basis of a technical evaluation and past experience. Provision is made for estimated liability in respect of warranty and service coupon costs in the year of sale of goods.

**xi) Contingent liabilities and contingent assets**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

**xii) Income Taxes**

Income-tax expense comprises current tax (i.e. amount of tax for the period 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). Income-tax expense is recognised in profit or loss except that tax expense related to items recognised directly in reserves is also recognized in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws 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 loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. 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 realised.



**Notes to the financial statements for the year ended 31 March 2013**
**3 Share capital**

	31 March 2013		31 March 2012	
	Number of shares	Amount (Rs. lakhs)	Number of shares	Amount (Rs. lakhs)
Authorised				
- Equity shares of Rs.10 each	15,000,000	1,500.00	15,000,000	1,500.00
Issued				
- Equity shares of Rs.10 each	10,144,000	1,014.40	10,144,000	1,014.40
Subscribed and paid up				
- Equity shares of Rs.10 each fully paid up	10,143,071	1,014.31	10,143,071	1,014.31
	<u>10,143,071</u>	<u>1,014.31</u>	<u>10,143,071</u>	<u>1,014.31</u>

**a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Outstanding at the commencement and end of the year	10,143,071	1,014.31	10,143,071	1,014.31
	<u>10,143,071</u>	<u>1,014.31</u>	<u>10,143,071</u>	<u>1,014.31</u>

**b. Rights, preferences and restrictions attached to equity shares**

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

During the year ended 31 March 2013, the Company has recognised per share dividend for distribution to equity shareholders amounting to Rs. 4.00 (31 March 2012: Rs. 9.00).

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**c. Equity shares held by holding/ultimate holding company and/or their subsidiaries/ associates**

	31 March 2013		31 March 2012	
	Number of shares	Amount (Rs. lakhs)	Number of shares	Amount (Rs. lakhs)
Honda Motor Co. Ltd., Japan, the holding company and also being the ultimate holding company	6,762,000	676.20	6,762,000	676.20

**d. Details of shareholders holding more than 5% shares of a class of shares**

	31 March 2013		31 March 2012	
	Number of equity shares	% of total shares in the class	Number of equity shares	% of total share in the class
Honda Motor Co. Ltd., Japan, the holding company and also being the ultimate holding company	6,762,000	66.67%	6,762,000	66.67%

**Notes to the financial statements for the year ended 31 March 2013**
**4 Reserves and surplus**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
<b>Capital investment subsidy</b>		
At the commencement and at the end of the year	25.00	25.00
<b>Securities premium account</b>		
At the commencement and at the end of the year	396.46	396.46
<b>General reserve</b>		
At the commencement of the year	11,692.85	11,172.85
Amount transferred from surplus	206.00	520.00
At the end of the year	11,898.85	11,692.85
<b>Surplus in the statement of profit and loss</b>		
At the commencement of the year	13,293.08	9,705.90
Add: Profit for the year	2,060.44	5,168.15
Less: Appropriations		
Proposed equity dividend	405.72	912.88
Tax on proposed equity dividend	68.95	148.09
Transfer to general reserve	206.00	520.00
Total appropriations	680.67	1,580.97
At the end of the year	14,672.85	13,293.08
<b>Total reserves and surplus</b>	<b>26,993.16</b>	<b>25,407.39</b>

**5 Deferred tax liabilities (net)**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
<b>Deferred tax liabilities</b>		
Excess of depreciation/ amortisation on fixed assets under income-tax law over depreciation/ amortisation provided in accounts	699.39	479.73
Gross deferred tax liability	699.39	479.73
<b>Deferred tax assets</b>		
Expenditure covered by section 43B of Income-tax Act, 1961	92.33	85.55
Expenditure covered by section 35DDA of Income-tax Act, 1961	128.69	245.67
Gross deferred tax asset	221.02	331.22
<b>Deferred tax liability (net)</b>	<b>478.37</b>	<b>148.51</b>

**6 Other long-term liabilities**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Others :		
Security deposits from dealers	170.37	180.05
	<b>170.37</b>	<b>180.05</b>

**Notes to the financial statements for the year ended 31 March 2013**
**7 Long-term provisions**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
<b>Provision for employee benefits</b>		
Compensated absences (Refer to note 36 (vii))	199.54	193.14
	<u>199.54</u>	<u>193.14</u>

**8 Trade payables**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Trade payables	5,491.03	5,889.77
For dues to micro and small suppliers (Refer to note 32)	<u>5,491.03</u>	<u>5,889.77</u>

**9 Other current liabilities**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Advance from customers	260.96	796.02
Unpaid dividends	31.78	27.48
Creditors for purchase of fixed assets	202.94	210.19
Interest accrued and due on security deposits	8.61	8.21
Other payables		
Payable to employees	231.12	316.44
Statutory liabilities	764.35	668.40
	<u>1,499.76</u>	<u>2,026.74</u>

**10 Short-term provisions**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
<b>Provision for employee benefits</b>		
Compensated absences (Refer to note 36 (vii))	18.45	18.53
	<u>18.45</u>	<u>18.53</u>
<b>Other provisions</b>		
Proposed equity dividend	405.72	912.88
Tax on proposed equity dividend	68.95	148.09
Provision for warranties (Refer to note 38)	7.15	12.64
Provision for service coupons (Refer to note 37)	39.81	67.31
Income tax [net of advance income tax and taxes deducted at source amounting to Rs. 1,151.53 lakhs (31 March 2012: Rs. 1,151.53 lakhs)]	36.47	36.47
Fringe benefit tax [net of advance fringe benefit amounting to Nil (31 March 2012: Rs. 137.99 lakhs)]	-	1.85
	<u>558.10</u>	<u>1,179.24</u>
	<u>576.55</u>	<u>1,197.77</u>

**Notes to the financial statements for the year ended 31 March 2013**

11 Tangible fixed assets

Description	Gross Block			Depreciation			(Rs. lakhs)	
	As at 1 April 2012	Additions	Disposals	As at 31 March 2013	As at 1 April 2012	Additions	As at 31 March 2013	As at 31 March 2013
<b>Own assets:</b>								
Freehold land	45.00	-	-	45.00	-	-	-	45.00
Buildings	3,149.06	677.04	12.88	3,813.22	448.25	104.61	552.86	3,260.36
Plant and equipments *	10,802.56	4,141.73	3.94	14,940.35	6,903.33	977.69	7,878.35	7,062.00
Furniture and fixtures	176.73	39.09	0.76	215.06	78.18	18.84	96.36	118.70
Vehicles	506.50	158.98	38.37	627.11	249.27	108.89	322.94	304.17
Office equipments	255.21	29.72	3.74	281.19	192.92	26.05	215.25	65.94
Computers	304.17	37.78	0.80	341.15	213.67	50.95	264.00	77.15
	15,239.23	5,084.34	60.49	20,263.08	8,085.62	1,287.03	9,329.76	10,933.32
Lease hold land	377.35	-	-	377.35	56.56	4.16	60.72	316.63
	377.35	-	-	377.35	56.56	4.16	60.72	316.63
<b>Total</b>	15,616.58	5,084.34	60.49	20,640.43	8,142.18	1,291.19	9,390.48	11,249.95

Description	Gross Block			Depreciation			(Rs. lakhs)	
	As at 1 April 2011	Additions	Disposals	As at 31 March 2012	As at 1 April 2011	Additions	As at 31 March 2012	As at 31 March 2012
<b>Own assets:</b>								
Freehold land	19.80	45.00	19.80	45.00	834.30	86.93	-	45.00
Buildings	3,616.29	386.56	853.79	3,149.06	6,464.47	696.51	448.25	2,700.81
Plant and equipments *	10,063.68	1,017.73	278.85	10,802.56	64.50	18.65	6,903.33	3,899.23
Furniture and fixtures	173.57	8.31	5.15	176.73	185.10	92.02	78.18	98.55
Vehicles	464.42	74.57	32.49	506.50	190.70	22.87	249.27	257.23
Office equipments	257.09	20.32	22.20	255.21	207.85	33.65	192.92	62.29
Computers	249.67	82.33	27.83	304.17	207.85	27.83	213.67	90.50
	14,844.52	1,634.82	1,240.11	15,239.23	7,946.92	950.63	8,085.62	7,153.61
Lease hold land	400.47	-	23.12	377.35	65.72	4.16	56.56	320.79
	400.47	-	23.12	377.35	65.72	4.16	56.56	320.79
<b>Total</b>	15,244.99	1,634.82	1,263.23	15,616.58	8,012.64	954.79	8,142.18	7,474.40

\* Includes 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)

**Capital work-in-progress**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Opening balance at the beginning of the year	1028.95	56.14
Additions	83.87	1024.14
Assets capitalised during the year	1020.53	51.33
<b>Closing balance at the end of the year</b>	<b>92.29</b>	<b>1028.95</b>

**Notes to the financial statements for the year ended 31 March 2013**
**12 Intangible fixed assets**

(Rs. lakhs)

Description	Gross Block		Amortisation		Net Block	
	As at 1 April 2012	Additions	Disposals	As at 31 March 2013	As at 31 March 2013	As at 31 March 2013
Technical knowhow - Others	65.18	-	-	65.18	65.18	-
Technical knowhow - Model fees	491.97	292.60	-	784.57	381.61	402.96
Software	279.42	51.02	-	330.44	255.77	74.67
<b>Total</b>	836.57	343.62	-	1,180.19	702.56	477.63

Description	Gross Block		Amortisation		Net Block	
	As at 1 April 2011	Additions	Disposals	As at 31 March 2012	As at 31 March 2012	As at 31 March 2012
Technical knowhow - Others	65.18	-	-	65.18	65.18	-
Technical knowhow - Model fees	491.97	-	-	491.97	323.09	168.88
Software	223.27	56.15	-	279.42	230.89	48.53
<b>Total</b>	780.42	56.15	-	836.57	619.16	217.41

**Intangible fixed assets under development**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Opening balance at the beginning of the year	-	6.15
Additions	7.21	-
Assets capitalised during the year	-	6.15
<b>Closing balance at the end of the year</b>	<u>7.21</u>	<u>0.00</u>

**Notes to the financial statements for the year ended 31 March 2013**
**13 Long-term loans and advances**  
*(Unsecured and considered good)*

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Capital advances	420.56	782.88
Security deposits	174.47	155.44
Advance income tax and taxes deducted at source [net of provision for income tax Rs. 13,427.21 lakhs (31 March 2012: Rs. 12,674.38 lakhs)]	1,908.07	1,228.54
Advance fringe benefit tax [net of provision for fringe benefit tax Nil lakhs (31 March 2012: Rs. 43.50 lakhs)]	-	0.32
<b>Other long term loans and advances</b>		
Service tax credit receivable	292.00	85.00
	<u>2,795.10</u>	<u>2,252.18</u>

**14 Inventories**  
*(Valued at the lower of cost and net realisable value)*

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Raw materials [includes in transit: Rs.2,478.18 lakhs (31 March 2012: Rs. 2,438.60 lakhs)]	4,343.57	3,868.90
Work in progress	283.02	279.51
Finished goods	4,013.12	1,899.79
Stock in trade [includes in transit: Rs. 976.38 lakhs (31 March 2012: Rs. 324.04 lakhs)]	1,824.91	1,004.38
Stores and spares	134.60	122.46
	<u>10,599.22</u>	<u>7,175.04</u>
Less : Provision for slow moving inventory	53.07	59.90
	<u>10,546.15</u>	<u>7,115.14</u>

**15 Trade receivables**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Receivables outstanding for a period exceeding six months from the date they become due for payment		
Unsecured and considered good	43.08	33.54
	<u>43.08</u>	<u>33.54</u>
Other receivables		
Unsecured and considered good # *	2,773.14	2,505.11
	<u>2,816.22</u>	<u>2,538.65</u>

# includes debts considered good in respect of which the company holds guarantees from the bank amounting to Rs. 257.99 lakhs (31 March 2012: Rs. 159.95 lakhs)

\* includes amount due from Honda Motorcycle and Scooter India Private Limited Rs Nil lakhs (31 March 2012: Rs. 70.76 lakhs) and from Honda Motor India Private Limited Rs. 57.00 lakhs (31 March 2012: Rs. 64.94 lakhs) being companies having common directors.

**Notes to the financial statements for the year ended 31 March 2013**
**16 Cash and bank balances**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Cash and cash equivalents:		
Cash on hand	10.12	4.51
Cheques on hand	618.81	157.98
Balances with banks		
on current accounts	816.24	477.20
on deposit accounts (with original maturity of three months or less)	775.00	2,007.33
	<u>2,220.17</u>	<u>2,647.02</u>
Other bank balances:		
Unpaid dividend account	31.78	27.48
Bank deposits (Due to mature within 12 months of the reporting date)	3,583.47	10,361.05
	<u>3,615.25</u>	<u>10,388.53</u>
	<u>5,835.42</u>	<u>13,035.55</u>

**17 Short-term loans and advances**
*(Unsecured, considered good)*

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
<b>Recoverable from related parties:</b>		
Honda Motor Co. Ltd., Japan	70.35	13.52
Honda R & D (India) Private Limited, India	3.62	0.30
Asian Honda Motor Co., Limited, Thailand	4.56	-
<b>Other short term loans and advances</b>		
Unsecured and considered good		
- Service tax credit receivable	912.97	819.37
- CENVAT credit receivables	428.04	236.00
- VAT receivables	246.97	116.40
- Special additional duty recoverable	435.85	305.99
- Advances for supply of good	79.06	98.32
- Prepaid expenses	96.93	68.39
- Security deposits	22.20	24.20
- Gratuity fund (Refer to note 36)	15.98	10.55
- Export benefits recoverable	61.27	67.43
- Others	206.94	183.74
Unsecured and considered doubtful		
- Others	9.32	9.32
Less : Provision for doubtful advances	9.32	9.32
	<u>-</u>	<u>-</u>
	<u>2,584.74</u>	<u>1,944.21</u>

**18 Other current assets**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Interest accrued but not due on bank deposits	18.38	451.19
	<u>18.38</u>	<u>451.19</u>



**Notes to the financial statements for the year ended 31 March 2013**
**19 Revenue from operations**

		31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
<b>Sale of products</b>			
Finished goods	49,771.25		48,266.19
Traded goods	5,058.55	54,829.80	3,875.88
<b>Sale of services</b>			
Job work income		14.72	252.81
<b>Other operating revenues</b>			
Spares and components	483.59		1,024.99
Scrap sales	231.18		258.36
Net gain on account of foreign exchange fluctuation	29.06		29.08
Provision for doubtful receivables written back	-		8.04
Other operating income	288.36	1,032.19	166.98
		<u>55,876.71</u>	<u>53,882.33</u>

**Details of products sold**

		31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
<b>Finished goods</b>			
Gensets		33,290.97	30,578.35
Engines		6,135.79	6,772.63
Water pumps		10,344.49	10,915.21
		<u>49,771.25</u>	<u>48,266.19</u>
<b>Stock in trade</b>			
Brush cutters		2,070.91	2,152.06
Lawn mowers		316.49	330.00
Gensets		-	12.60
Tillers		430.62	334.64
Engines		2,061.65	1,031.55
Water pumps		164.92	15.03
Others		13.96	-
		<u>5,058.55</u>	<u>3,875.88</u>

**20 Other income**

		31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Interest income on bank deposits		578.78	929.92
Net gain on sale of fixed assets		10.16	5.76
Other non-operating income		34.28	26.76
Liabilities no longer required written back		74.27	145.62
		<u>697.49</u>	<u>1,108.06</u>

**21 Cost of materials consumed**

		31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Inventory of materials at the beginning of the year		3,868.90	3,529.60
Purchases		31,496.14	28,423.30
Inventory of materials at the end of the year		4,343.57	3,868.90
		<u>31,021.47</u>	<u>28,084.00</u>

**Notes to the financial statements for the year ended 31 March 2013**
**Break-up of cost of materials consumed**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Steel sheets	843.47	820.66
CRNGO sheets	1,008.60	801.51
Aluminium alloy ingots	1,451.82	1,414.88
Copper wire	1,151.35	1,002.14
Others	26,566.23	24,044.81
	<u>31,021.47</u>	<u>28,084.00</u>

**22 Purchases of stock in trade**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Brush cutters	2,074.71	1,526.98
Engines	1,768.69	955.65
Water Pumps	200.32	-
Tillers	403.55	419.36
Lawn mowers	243.30	331.44
Others	26.37	69.90
	<u>4,716.94</u>	<u>3,303.33</u>

**23 Changes in inventories of finished goods, stock in trade and work in progress**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Inventories at the end of the year:		
Finished goods	4,013.12	1,899.79
Stock in trade	1,824.91	1,004.38
Work in progress	283.02	279.51
	<u>6,121.05</u>	<u>3,183.68</u>
Inventories at the beginning of the year:		
Finished goods	1,899.79	3,387.98
Stock in trade	1,004.38	479.47
Work in progress	279.51	287.91
	<u>3,183.68</u>	<u>4,155.36</u>
Increase/(decrease) in excise duty	334.20	(142.08)
Increase/(decrease) in inventories	<u>2,603.17</u>	<u>(829.60)</u>

**Details of inventory**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
i) Finished goods		
Gensets	3,033.41	970.99
Engines	327.93	222.00
Water pumps	651.78	706.80
	<u>4,013.12</u>	<u>1,899.79</u>

**Notes to the financial statements for the year ended 31 March 2013**

ii) Stock in trade	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Brush cutters	883.78	307.52
Lawn mowers	93.96	114.90
Gensets	4.63	4.33
Tillers	205.12	179.71
Engines	506.68	340.81
Others	130.74	57.11
	<u>1,824.91</u>	<u>1,004.38</u>

iii) Work in progress	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Gensets	215.71	116.40
Engines	22.51	154.57
Water pumps	44.80	8.54
	<u>283.02</u>	<u>279.51</u>

**24 Employee benefits**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Salaries, wages and bonus	3,528.49	2,936.82
Contribution to provident and other funds (Refer to note 36)	293.40	263.98
Compensated absences	47.40	111.29
Staff welfare expense	402.71	305.73
	<u>4,272.00</u>	<u>3,617.82</u>

**25 Depreciation and amortization**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Depreciation on tangible fixed assets	1,291.19	954.79
Amortization on intangible fixed assets	83.40	75.66
	<u>1,374.59</u>	<u>1,030.45</u>

**Notes to the financial statements for the year ended 31 March 2013**
**26 Other expenses**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Consumption of stores and spare parts	355.27	324.92
Power and fuel	720.92	567.48
Rent (Refer to note 35)	321.05	280.05
Repairs		
- Building	39.96	30.16
- Machinery	156.32	120.82
- Others	112.76	97.01
Insurance	50.70	56.00
Rates and taxes	259.65	198.56
Royalty	1,834.36	1,831.67
Technical guidance fees	1,570.40	1,020.44
Freight, clearing and forwarding	1,258.32	1,162.63
Commission on sales	981.01	1,090.65
Advertisement and sales promotion	1,060.27	1,018.91
Service expenses	158.88	170.46
Traveling expenses	369.68	296.61
Legal and professional fees (Refer to note 31)	209.94	203.41
Vehicle running expenses	195.78	186.07
Provision for slow moving inventory	25.61	-
Short term loans advances written off	-	12.49
Less: written off against provision	-	12.49
Inventory written off	32.44	22.04
Less: written off against provision	32.44	22.04
Warranty	-	22.75
Miscellaneous	663.39	661.29
	<u>10,344.27</u>	<u>9,339.89</u>

**27 Exceptional items**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Profit on sale of land and building	-	2,076.41
Brokerage	-	(27.59)
Exgratia	-	(15.00)
	<u>-</u>	<u>2,033.82</u>

**Notes to the financial statements for the year ended 31 March 2013**

- 28 In the previous year, the Company has disposed off land (comprising freehold and leasehold) and building of the Company and other miscellaneous items of plant and machinery and furniture, fixtures and office equipment situated at Rudrapur, Uttarakhand. The resultant gain arising from the disposal of said fixed assets after adjusting the expenses related to such disposal have been disclosed as "Exceptional Items" in note 27. The Company does not have any further obligations towards the lessor, viz. Government of Uttarakhand, in respect of the leasehold land.

**29 Contingent liabilities**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Claims against the Company not acknowledged as debt:		
Income tax matters	4,500.54	3,773.96
Excise matters	4,859.63	2,877.88
Service tax matters	680.92	677.60
Sales tax matters	155.26	804.91
Other matters	55.48	27.14

**30 Commitments**

- a. Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances Rs. 331.83 lakhs (31 March 2012: Rs. 782.88 lakhs)] amount to Rs. 614.35 lakhs (31 March 2012: Rs. 1,587.04 lakhs)
- b. The Company has entered into an agreement for hiring a power generating equipment, the cancellation of which by the Company within the first 52 weeks of the agreement will entail monetary compensation on the Company equivalent to Rs. Nil lakhs (31 March 2012: Rs. 19.80 lakhs)

**31 Payment to auditors (included under legal and professional fees) #**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
As auditor:		
- Statutory audit	19.25	16.50
- Tax audit	3.00	3.00
- Limited reviews of quarterly results	9.00	9.00
Reimbursement of expenses	2.86	2.44
	<u>34.11</u>	<u>30.94</u>

# excludes service tax

**32 Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the Company**

Particulars	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	192.65	253.57
- Interest	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
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 MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
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 the MSMED Act, 2006	-	-

**33 Details of contributions made to political parties**

During the previous year, the Company has made contributions to political parties, viz. Rs 15 lakhs to Bhartiya Janta Party and Rs 10 lakhs to Indian National Congress Party. No such payment has been made in the current year.

**Notes to the financial statements for the year ended 31 March 2013****34 Disclosures as per Accounting Standard (AS)-18 "Related Party Disclosures"****A. Name of related parties****Ultimate holding company and holding company:**

Honda Motor Co., Limited, Japan

**Fellow Subsidiaries**

Honda Motor Southern 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 Manufacturing (Nigeria) Ltd., Nigeria

Honda Trading Asia Co. Limited, Thailand

PT. Honda Power Products Indonesia, Indonesia

Honda Motorcycle and Scooter India Private Limited, India

Honda Motor India Private Limited, India

Honda Express Logistics India Private Limited, India

Moto Honda da Amazonia Ltda., Brazil

Honda Trading (South China) Co. Limited, Hong Kong

Honda R & D Co. Limited, Japan

Honda R & D (India) Private Limited, India

Honda Europe NV, Belgium

Honda Motor de Argentina S.A., Argentina

Shanghai Honda Trading Co. Limited, China

Honda Atlas Power Products Pvt. Ltd., Pakistan

PT. Honda Trading Indonesia, Indonesia

Honda Trading Brazil Ltda., Brazil

Honda Trading De Argentina S.A., Argentina

Honda Trading Corporation India Private Limited, India

Honda Mindong Generator Co. Ltd., China

Honda Kaihatsu Co. Ltd., China

Honda Trading Europe Ltd., Belgium

Honda Motor Europe Limited, U.K.

Honda Canada Inc., Canada

Jialing-Honda Motors Co. Ltd., China

Honda Soltec Co. Ltd, Japan

American Honda Motor Co. Inc., USA

Honda Cars India Limited, India (previously known as "Honda Siel Cars India Limited", India)

**Notes to the financial statements for the year ended 31 March 2013**
**B. Related party transactions for the year ended 31 March 2013**

(Rs. lakhs)

Particulars	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total
Sale of finished goods, components, spares and samples	73.71	2,453.01	-	2,526.72
Receipt of job work charges	-	14.72	-	14.72
Purchase of components, raw material, consumables, finished goods and spares	6,829.89	6,245.86	-	13,075.75
Purchase of capital goods	34.89	579.44	-	614.33
Sale of capital goods	-	1.50	-	1.50
Reimbursement of warranty expenses received	34.86	12.55	-	47.41
Reimbursement of warranty expenses paid	-	53.26	-	53.26
Reimbursement of expenses received	153.05	25.28	-	178.33
Fee for infrastructure support services received	-	18.28	-	18.28
Reimbursement of expenses paid	3.15	10.53	-	13.68
Freight Expenses paid	-	3.50	-	3.50
Payment of technical guidance fee (Including amount capitalised)	1,874.67	-	-	1,874.67
Payment of export commission (included under commission on sales)	872.88	-	-	872.88
Payment of royalty	1,834.36	-	-	1,834.36
Payment of model fee	280.00	-	-	280.00
Payment of dividend	608.58	-	-	608.58
Receipt of support services and technical assistance fees	-	95.27	-	95.27
Managerial remuneration	-	-	244.24	244.24
Payables	1,900.85	303.06	-	2,203.91
Receivables	18.85	671.89	-	690.74
Advance from customer	0.05	4.03	-	4.08
Advance to creditors	-	3.81	-	3.81
Short-term loans and advances	70.35	5.87	-	76.22

**C. Related party transactions for the year ended 31 March 2012**

(Rs. lakhs)

Particulars	Holding Company	Fellow Subsidiaries	Key Management Personnel	Total
Sale of finished goods, components, spares and samples	698.42	2,218.44	-	2,916.86
Receipt of job work charges	-	252.81	-	252.81
Purchase of components, raw material, consumables, finished goods and spares	5,381.53	3,813.39	-	9,194.92
Purchase of capital goods	7.02	611.68	-	618.70
Reimbursement of warranty expenses received	2.05	2.99	-	5.04
Reimbursement of warranty expenses paid	-	29.08	-	29.08
Reimbursement of expenses received	13.52	3.78	-	17.30
Reimbursement of expenses paid	2.14	19.92	-	22.06
Fee for infrastructure support services received	-	18.28	-	18.28
Warehousing expenses paid	-	17.71	-	17.71
Freight expense paid	-	11.53	-	11.53
Payment of technical guidance fee	1,020.44	-	-	1,020.44
Payment of export commission (included under commission on sales)	855.09	-	-	855.09
Payment of royalty	1,831.67	-	-	1,831.67
Payment of dividend	507.15	-	-	507.15
Receipt of support services and technical assistance fees	-	56.20	-	56.20
Managerial remuneration	-	-	172.72	172.72
Payables	1,816.93	216.71	-	2,033.64
Receivables	118.89	285.58	-	404.47
Advance from customer	0.06	17.44	-	17.50
Short-term loans and advances	13.52	0.30	-	13.82



**Notes to the financial statements for the year ended 31 March 2013**
**D Details of fellow subsidiaries with whom transaction exceeds 10% of the total class of transactions.**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
<b>Honda Motor Southern Africa (Pty.) Limited, South Africa</b>		
- Sale of finished goods and spares	27.18	101.80
- Reimbursement of expenses paid	0.29	-
<b>Honda Philippines Inc., Philippines</b>		
- Sale of finished goods and spares	210.51	251.37
<b>Honda Del Peru S.A., Peru</b>		
- Sale of finished goods	338.10	405.14
- Reimbursement of expenses paid	-	0.06
<b>Honda de Mexico, S.A. de C.V., Mexico</b>		
- Sale of finished goods	42.97	26.98
- Reimbursement of expenses paid	0.03	-
<b>Honda Australia M. &amp; P.E. Pty. Limited, Australia</b>		
- Sale of finished goods and spares	-	39.25
- Purchase of finished goods	111.95	288.92
<b>Asian Honda Motor Co., Limited, Thailand</b>		
- Sale of finished goods and spares	36.21	167.98
- Purchase of components and finished goods	3,902.91	2,389.35
- Reimbursement of expenses paid	4.92	4.20
- Reimbursement of warranty expenses received	12.55	2.99
<b>Honda Trading Corporation, Japan</b>		
- Purchase of components, raw material, consumables and spares	1,677.99	882.20
- Purchase of capital goods	525.72	494.07
<b>Honda Manufacturing (Nigeria) Ltd., Nigeria</b>		
- Sale of finished goods	280.69	209.50
<b>Honda Trading Asia Co. Limited, Thailand</b>		
- Purchase of capital goods	47.24	117.61
- Purchase of components	288.47	27.96
<b>PT. Honda Power Products Indonesia, Indonesia</b>		
- Sale of finished goods and spares	511.55	67.15
<b>Honda Motorcycle and Scooter India Private Limited, India</b>		
- Receipt of job work charges	14.72	252.81
- Sale of components	19.27	322.68
- Reimbursement of expenses received	2.94	-
<b>Honda Motor India Private Limited, India</b>		
- Sale of spares	284.91	433.64
- Reimbursement of expenses paid	58.55	43.56
- Receipt of support services and technical assistance fees	95.27	56.20
- Reimbursement of expenses received	9.45	-
- Purchase of spares	4.54	-
<b>Honda Express Logistics India Private Limited, India</b>		
- Freight expenses paid	1.50	8.09
- Warehousing expenses	-	17.71
<b>Moto Honda da Amazonia Ltda., Brazil</b>		
- Sale of finished goods	214.49	106.43
<b>Honda Trading (South China) Co. Limited, Hong Kong</b>		
- Purchase of components	185.30	203.08
<b>Honda R &amp; D Co., Limited, Japan</b>		
- Sale of finished goods and spares	78.41	26.45
<b>Honda R &amp; D (India) Private Limited, India</b>		
- Fee for infrastructure support services received	18.28	18.28
- Reimbursement of expenses received	9.39	3.78
- Sale of finished goods, spares and samples	1.65	1.07
- Sale of capital goods	1.50	-
<b>Honda Eurpoe NV, Belgium</b>		
- Sale of spares	-	0.11
- Purchase of finished goods	-	1.71
<b>Honda Motor de Argentina S.A., Argentina</b>		
- Sale of finished goods	28.91	56.86
<b>Shanghai Honda Trading Co. Limited, China</b>		
- Purchase of components, consumables and spares	35.79	13.39
<b>Honda Atlas Power Products Pvt. Ltd., Pakistan</b>		
- Sale of finished goods	378.16	-
<b>PT. Honda Trading Indonesia, Indonesia</b>		
- Purchase of components	22.92	1.45
<b>Honda Trading Brazil Ltda., Brazil</b>		
- Purchase of components	9.91	-

**Notes to the financial statements for the year ended 31 March 2013**
**E Name of key management personnel:**

Mr. T. Hamasaki	President and CEO
Mr. S. Yotsumoto	Vice President and Whole time director
Mr. Vinay Mittal	Vice President and Whole time director (with effect from 1 April 2012)

**Transactions with key management personnel:**
**Managerial remuneration \***

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
<b>Name</b>		
Mr. T. Hamasaki	92.96	88.05
Mr. S. Yotsumoto	95.05	84.67
Mr. Vinay Mittal	56.23	-

\* Excludes contribution to the gratuity fund and provision for leave encashment determined on an actuarial basis, as these are determined for the Company as a whole.

**35 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 equipment for generating power for captive consumption. 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 months' notice or by paying the notice period rent in lieu thereof.
  - other agreements for premises cannot be terminated by either party before the expiry of one year.
  - 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 Statement of Profit and Loss Rs. 321.05 lakhs (31 March 2012: Rs.280.05 lakhs).
- c) Future minimum lease payments under non-cancellable operating lease are as under:

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Not later than one year	5.73	1.63

**Notes to the financial statements for the year ended 31 March 2013**

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

	<b>31 March 2013 (Rs. lakhs)</b>	<b>31 March 2012 (Rs. lakhs)</b>
(a) Employer contribution to provident fund and other funds:		
- Provident fund *	<b>162.95</b>	143.90
- Employees' state insurance	<b>25.39</b>	25.24
- Gratuity	<b>65.62</b>	62.49
- Superannuation fund	<b>39.44</b>	32.35
	<b>293.40</b>	<b>263.98</b>

\*includes contribution to family pension fund Rs 62.90 lakhs (31 March 2012: Rs. 58.58 lakhs)

- (b) The following tables summarize the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective defined benefit plans

(i) **Movement in present value of defined benefit obligations**

	<b>Gratuity</b>		<b>Provident Fund</b>	
	<b>31 March 2013 (Rs. lakhs)</b>	<b>31 March 2012 (Rs. lakhs)</b>	<b>31 March 2013 (Rs. lakhs)</b>	<b>31 March 2012 (Rs. lakhs)</b>
Present value of obligation as at the beginning of the year	<b>490.66</b>	400.19	<b>1,805.49</b>	1,532.43
Interest cost	<b>40.87</b>	33.34	<b>144.44</b>	130.26
Current service cost	<b>42.74</b>	35.99	<b>100.67</b>	85.32
Benefits paid	<b>(18.68)</b>	(11.16)	<b>(152.60)</b>	(141.29)
Actuarial (gain)/loss	<b>29.61</b>	32.30	<b>53.28</b>	(4.83)
Contributions by plan participants/employees	-	-	<b>227.89</b>	195.73
Settlements/transfer in	-	-	<b>2.35</b>	7.87
Present value of obligation as at the end of the year	<b>585.20</b>	490.66	<b>2,181.52</b>	1,805.49

(ii) **Movement in fair value of plan assets**

	<b>Gratuity</b>		<b>Provident Fund</b>	
	<b>31 March 2013 (Rs. lakhs)</b>	<b>31 March 2012 (Rs. lakhs)</b>	<b>31 March 2013 (Rs. lakhs)</b>	<b>31 March 2012 (Rs. lakhs)</b>
Fair value of plan assets as at the beginning of the year	<b>501.21</b>	399.81	<b>1,953.53</b>	1,649.79
Expected return on plan assets	<b>45.11</b>	35.99	<b>166.05</b>	140.23
Contributions paid in to the plan	<b>71.05</b>	73.42	<b>100.67</b>	85.32
Benefits paid by the plan	<b>(18.68)</b>	(11.16)	<b>(152.60)</b>	(141.29)
Actuarial gain/(loss)	<b>2.49</b>	3.15	<b>23.48</b>	15.88
Contributions by plan participants/employees	-	-	<b>227.89</b>	195.73
Settlements/transfer in	-	-	<b>2.35</b>	7.87
Fair value of plan assets as at the end of the year	<b>601.18</b>	501.21	<b>2,321.37</b>	1,953.53

**Notes to the financial statements for the year ended 31 March 2013**
**(iii) Actuarial gain/loss recognised in the Statement of Profit and Loss**

	<b>Gratuity</b>		<b>Provident Fund</b>	
	<b>31 March 2013 (Rs. lakhs)</b>	<b>31 March 2012 (Rs. lakhs)</b>	<b>31 March 2013 (Rs. lakhs)</b>	<b>31 March 2012 (Rs. lakhs)</b>
Actuarial gain/(loss) for the year - obligation	<b>(29.61)</b>	(32.30)	<b>(53.28)</b>	4.83
Actuarial gain/(loss) for the year - plan assets	<b>2.49</b>	3.15	<b>23.48</b>	15.88
Total gain/(loss) for the year	<b>(27.12)</b>	(29.15)	<b>(29.80)</b>	20.71
Actuarial gain/(loss) recognised in the year	<b>(27.12)</b>	(29.15)	<b>(29.80)</b>	20.71
Unrecognised actuarial gains/(losses) at the end of year	-	-	-	-

**(iv) Assets and liabilities recognised in the balance sheet**

	<b>Gratuity</b>		<b>Provident Fund</b>	
	<b>31 March 2013 (Rs. lakhs)</b>	<b>31 March 2012 (Rs. lakhs)</b>	<b>31 March 2013 (Rs. lakhs)</b>	<b>31 March 2012 (Rs. lakhs)</b>
Present value of obligation as at the end of the year	<b>585.20</b>	490.66	<b>2,181.52</b>	1,805.49
Fair value of plan assets as at the end of the year	<b>601.18</b>	501.21	<b>2,321.37</b>	1,953.53
Funded status	<b>15.98</b>	10.55	<b>139.85</b>	148.04
Unrecognised actuarial gains/(losses)	-	-	-	-
Net assets/(liability) recognised in balance sheet	<b>15.98</b>	10.55	*	*

\* There is surplus in the provident fund, hence no liability has been recognised.

**(v) Expense recognised in the Statement of Profit and Loss**

	<b>Gratuity</b>		<b>Provident Fund</b>	
	<b>31 March 2013 (Rs. lakhs)</b>	<b>31 March 2012 (Rs. lakhs)</b>	<b>31 March 2013 (Rs. lakhs)</b>	<b>31 March 2012 (Rs. lakhs)</b>
Current service cost	<b>42.74</b>	35.99	-	-
Past service cost	-	-	-	-
Interest cost	<b>40.87</b>	33.34	-	-
Expected return on plan assets	<b>(45.11)</b>	(35.99)	-	-
Net actuarial (gain)/loss recognised in the year	<b>27.12</b>	29.15	-	-
Company contribution to provident fund	-	-	<b>100.67</b>	85.32
Amount recognised in the Statement of Profit and Loss	<b>65.62</b>	62.49	<b>100.67</b>	85.32

**(vi) Composition of plan assets**

	<b>Gratuity</b>		<b>Provident Fund</b>	
	<b>31 March 2013</b>	<b>31 March 2012</b>	<b>31 March 2013</b>	<b>31 March 2012</b>
Funds managed by insurer	<b>100%</b>	100%	-	-
Central Government securities	-	-	<b>33%</b>	34%
State Government securities	-	-	<b>21%</b>	20%
Public sector unit bonds	-	-	<b>45%</b>	45%
Special deposit schemes of Central Government	-	-	<b>1%</b>	1%

**Notes to the financial statements for the year ended 31 March 2013**
**(vii) Principal actuarial assumptions at the balance sheet date for gratuity and compensated absence**

	31 March 2013	31 March 2012
Discount rate (p.a.)	8.33%	8.33%
Future salary increase (p.a.)	7.00%	7.00%
Expected rate of return on plan assets (p.a.)	9.00%	9.00%

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.

**(viii) Principal actuarial assumptions at the balance sheet date for provident fund**

	31 March 2013	31 March 2012
Interest rate (p.a.)	8.00%	8.50%

**(ix) Amounts recognised in current year and previous four years:**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)	31 March 2011 (Rs. lakhs)	31 March 2010 (Rs. lakhs)	31 March 2009 (Rs. lakhs)
<b>Gratuity</b>					
Defined benefit obligation	585.20	490.66	400.19	396.42	468.06
Fair value of plan asset	601.18	501.21	399.81	341.92	409.67
Surplus/(deficit) in plan asset	15.98	10.55	(0.38)	(54.50)	(58.39)
Experience adjustment in plan liabilities	(29.61)	(34.51)	(34.00)	(33.66)	(30.47)
Experience adjustment in plan assets	2.49	3.15	(0.34)	(3.55)	6.02

The Company expects to contribute Rs 42.74 lakhs in the next year (31 March 2012: Rs. 35.99 lakhs) to gratuity fund.

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)	31 March 2011 (Rs. lakhs)	31 March 2010 (Rs. lakhs)	31 March 2009 (Rs. lakhs)
<b>Provident fund</b>					
Projected benefit obligation	2,181.52	1,805.49	1,532.43	*	*
Fair value plan assets	2,321.37	1,953.53	1,649.79	*	*
Interest guarantee liability	(9.13)	(7.68)	(6.49)	*	*
Surplus in fund	148.98	155.72	123.85	*	*
Net surplus in fund	139.85	148.04	117.36	*	*

\* The actuary is unable to present reliable information in respect of the earlier years.

**37 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:**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Provision at the commencement of the year	67.31	45.82
Provision made during the year	153.32	149.93
Provision utilised during the year	158.79	107.24
Unutilised provision written back during the year	22.03	21.20
Provision at the end of the year	39.81	67.31

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

**Notes to the financial statements for the year ended 31 March 2013**
**38 Power products sales are covered by a warranty period of one year, the details of which are as under:**

	<b>31 March 2013</b> (Rs. lakhs)	<b>31 March 2012</b> (Rs. lakhs)
Provision at the commencement of the year	<b>11.13</b>	5.96
Provision made during the year	<b>5.33</b>	22.75
Provision utilised during the year	<b>8.10</b>	17.58
Unutilised provision written back during the year	<b>6.46</b>	-
Provision at the end of the year *	<b>1.90</b>	11.13

\* Net of expected reimbursement of Rs. 5.25 lakhs (31 March 2012: Rs 1.51 lakhs) from suppliers of traded goods 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.

**39 Earnings per share**

	<b>31 March 2013</b>	<b>31 March 2012</b>
Profit for the year after taxation as per the Statement of Profit and Loss (Rs. lakhs)	<b>2,060.44</b>	5,168.15
Number of equity shares outstanding during the year	<b>10,143,071</b>	10,143,071
Basic and diluted earnings per share in Rupees (face value of Rs. 10 per share)	<b>20.31</b>	50.95

**40 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 interest income on fixed deposits, net profit on sale of fixed assets and exceptional items 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. Segment liabilities exclude share capital and reserves and surplus. 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)

	<b>31 March 2013</b>			<b>31 March 2012</b>		
<b>Particulars</b>	<b>Domestic</b>	<b>Exports</b>	<b>Total</b>	<b>Domestic</b>	<b>Exports</b>	<b>Total</b>
<b>Segment revenue</b> (net of excise duty on goods sold)	<b>44,156.17</b>	<b>7,398.55</b>	<b>51,554.72</b>	43,304.59	7,032.45	50,337.04
<b>Segment result</b>	<b>4,829.63</b>	<b>(453.90)</b>	<b>4,375.73</b>	6,642.95	(817.46)	5,825.49
Less: unallocated expense			<b>1,947.11</b>			1,693.54
<b>Operating profit</b>			<b>2,428.62</b>			4,131.95
Add: other non-operating income (including exceptional items)			<b>697.49</b>			3,141.88
Less: taxes (current and deferred)			<b>1,065.67</b>			2,105.68
<b>Net profit after taxes</b>			<b>2,060.44</b>			5,168.15
<b>Other information</b>						
Segment assets	<b>10,255.04</b>	<b>1,547.17</b>	<b>11,802.21</b>	6,834.24	909.26	7,743.50
Unallocated corporate assets			<b>24,620.88</b>			28,314.18
<b>Total assets</b>			<b>36,423.09</b>			36,057.68
Segment liabilities	<b>2,122.85</b>	<b>643.35</b>	<b>2,766.20</b>	2,843.41	469.56	3,312.97
Unallocated corporate liabilities			<b>5,649.42</b>			6,323.01
<b>Total liabilities</b>			<b>8,415.62</b>			9,635.98
Capital expenditure	<b>119.84</b>	-	<b>119.84</b>	140.53	-	140.53
Unallocated capital expenditure			<b>4,023.60</b>			3,207.72
<b>Total capital expenditure</b>			<b>4,143.44</b>			3,348.25
Depreciation	<b>981.36</b>	<b>235.50</b>	<b>1,216.86</b>	737.67	163.22	900.89
Unallocated depreciation			<b>157.73</b>			129.56
<b>Total depreciation</b>			<b>1,374.59</b>			1,030.45

**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 Accounting Standard - 17 are not applicable to the Company.

**Notes to the financial statements for the year ended 31 March 2013**
**41 Unhedged foreign currency exposure**
**(Figures in lakhs)**

Purpose	31 March 2013		31 March 2012	
	Amount in foreign currency	Amount in Rupees	Amount in foreign currency	Amount in Rupees
Receivables	US \$ 24.71	1,312.68	US \$ 15.90	802.95
	JPY 46.20	25.81	-	-
Payables	US \$ 16.72	915.72	US \$ 22.35	1,149.62
	JPY 943.10	549.82	JPY 643.63	405.23
	THB 19.18	36.28	THB 9.94	16.66
	EURO 0.01	0.56	EURO 0.02	1.24
Cash	US \$ 0.05	2.84	US \$ 0.03	1.46
Bank	US \$ 1.35	72.60	US \$ 1.52	77.45

**42 Value of imports on CIF basis**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Raw materials	1,018.59	878.82
Components	10,062.83	7,371.59
Consumables	19.83	12.49
Stores and spares	-	4.29
Capital goods	686.64	673.68
<b>Total</b>	<b>11,787.89</b>	<b>8,940.87</b>

**43 Value of imported and indigenous raw materials and components and the percentage of each to the total consumption**

	31 March 2013		31 March 2012	
	(Rs. lakhs)	%	(Rs. lakhs)	%
Imported	11,634.81	38%	7,981.96	28%
Indigenous	19,386.66	62%	20,102.04	72%
<b>Total</b>	<b>31,021.47</b>	<b>100%</b>	<b>28,084.00</b>	<b>100%</b>

**44 Value of imported and indigenous stores and spares consumed and the percentage of each to the total consumption**

	31 March 2013		31 March 2012	
	(Rs. lakhs)	%	(Rs. lakhs)	%
Imported	18.03	5%	6.13	2%
Indigenous	337.24	95%	318.79	98%
<b>Total</b>	<b>355.27</b>	<b>100%</b>	<b>324.92</b>	<b>100%</b>

**45 Expenditure in foreign currency**

	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
Technical guidance fee	1,874.67	1,020.44
Royalty	1,834.36	1,831.67
Travelling	32.84	18.40
Export commission	872.88	855.09
Purchases of stock in trade	3,924.56	2,811.85
Others	58.31	15.22
<b>Total</b>	<b>8,597.62</b>	<b>6,552.67</b>



## Notes to the financial statements for the year ended 31 March 2013

### 46 Earnings in foreign currency

31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)
7,144.43	6,739.02

Export on F.O.B. basis

### 47 Dividend remitted in foreign currency

31 March 2013	31 March 2012
609.11	507.51
26	23
6,767,879	6,766,789
2011 - 2012	2010 - 2011

Dividend paid during the year (Rs.Lakhs)

Number of non-resident shareholders

Number of equity shares held by such non-resident shareholders

Year to which the dividends relates

**48** The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence before the due date of filing return of income under the Income-tax Act, 1961. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

**49** Previous year figures have been regrouped/ reclassified to conform to the current year financial statements.

*For BSR & Co.*

*Chartered Accountants*

Firm Registration No.:101248W

**Rajesh Arora**

*Partner*

Membership No. : 076124

Place : New Delhi

Date : 20 May 2013

*For and on behalf of the Board of Directors of*  
**Honda Siel Power Products Limited**

<b>Siddharth Shriram</b>	Chairman
<b>D.V. Kapur</b>	Director
<b>O.P. Khaitan</b>	Director
<b>Ravi V. Gupta</b>	Director
<b>T. Hamasaki</b>	President & CEO
<b>Vinay Mittal</b>	Whole time Director & CFO
<b>Payal Chaddha</b>	Company Secretary

## Honda Generators



**EU65is**

MRP: ₹ 1,81,744

**SELF START**



**EU30is**

MRP: ₹ 90,169

**SELF START**



**EXK2800S**

MRP: ₹ 71,044

**SELF START**



**EXK2800**

MRP: ₹ 62,269



**EXK2000AC**

MRP: ₹ 48,476



**EXK2000S**

MRP: ₹ 58,511

**SELF START**



**EXK2000**

MRP: ₹ 51,334



**EXK1200S**

MRP: ₹ 49,601

**SELF START**



**EXK1200**

MRP: ₹ 42,413



**EP1000**

MRP: ₹ 24,638



**EBK1000**

MRP: ₹ 28,891



**EB2000GP**

MRP: ₹ 39,758

**LPG**



**EB650GP**

MRP: ₹ 27,102

**LPG**



**EBK650**

MRP: ₹ 24,616



**EM650**

MRP: ₹ 26,989



**EK400**

MRP: ₹ 19,463

## Honda Engine & Water Pump



**GK200**

MRP: ₹ 15,300



**GK100**

MRP: ₹ 12,657



**WB30XT**

MRP: ₹ 23,639



**WB30FF**

MRP: ₹ 23,500



**WBK15**

MRP: ₹ 19,550

## Honda Lawn Mower



**HRJ 216 K2 TWNH**

MRP: ₹ 46,024

## Honda Brush Cutter & Tiller



**UMK 435 U2ST**

MRP: ₹ 22,008



**UMK 435 UEDT**

MRP: ₹ 22,680



**FJ 500 RD**

MRP: ₹ 67,841

**Also exported to more than 35 Countries World wide**



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