

Hero honda assignment



**ASSIGN
BUSTER**

A rich background of manufacturing high value, reasonably priced products; an uncompromising pursuit of the goals to attain quality along with customer satisfaction; the resulting affinity in working cultures – brought the world's largest manufacturer of motorcycles in collaboration with the world's largest bicycle manufacturer, bringing forth a market leader. Honda Motor Company of Japan and the Hero Group entered a joint venture to setup HH Motors Limited in 1984.

The joint venture between India's Hero Group and Honda Motor Company, Japan has not only created the world's single largest two wheeler company but also one of the most successful joint ventures worldwide. During the 80s, Hero became the first company in India to prove that it was possible to drive a vehicle without polluting the roads. The company introduced new generation motorcycles that set industry benchmarks for fuel thrift and low emission.

A legendary 'Fill it – Shut it – Forget it' campaign captured the imagination of commuters across India, and Hero sold millions of bikes purely on the commitment of increased mileage. Over 20 million Hero two wheelers tread Indian roads today. These are almost as many as the number of people in Finland, Ireland and Sweden put together! Hero Honda has consistently grown at double digits since inception; and today, every second motorcycle sold in the country is a Hero Honda. Every 30 seconds, someone in India buys Hero Honda's top -selling motorcycle – Splendor.

This festive season, the company sold half a million two wheelers in a single month—a feat unparalleled in global automotive history. Bikes currently roll

out from its three globally benchmarked manufacturing facilities. Two of these are based at Dharuhera and Gurgaon in Haryana and the third state of the art manufacturing facility was inaugurated at Haridwar, Uttarakhand in April this year. These plants together are capable of producing out 4. 4 million units per year. Hero Honda's extensive sales and service network now spans over 3000 customer touch points.

These comprise a mix of dealerships, service and spare points, spare parts stockiest and authorized representatives of dealers located across different geographies. Hero Honda values its relationship with customers. Its unique CRM initiative – Hero Honda Passport Program, one of the largest programs of this kind in the world, has over 3 million members on its roster. The program has not only helped Hero Honda understand its customers and deliver value at different price points, but has also created a loyal community of brand ambassadors.

Having reached an unassailable pole position in the Indian two wheeler market, Hero Honda is constantly working towards consolidating its position in the market place. The company believes that changing demographic profile of India, increasing urbanization and the empowerment of rural India will add millions of new families to the economic mainstream. This would provide the growth ballast that would sustain Hero Honda in the years to come. As Brijmohan Lall Munjal, the Chairman, Hero Honda Motors succinctly points out, “ We pioneered India's motorcycle industry, and it's our responsibility now to take the industry to the next level.

We'll do all it takes to reach there. " Hero" is the brand name used by the Munjal brothers in the year 1956 with the flagship company Hero Cycles. The joint venture between India's Hero Group and Honda Motor Company, they are related to Jagdish Lal Munjal During the 80s, Hero Honda became the first company in India to prove that it was possible to drive a vehicle without polluting the roads. The company introduced new generation motorcycles that set industry benchmarks for fuel thrift and low emission.

A legendary ' Fill it – Shut it – Forget it' campaign captured the imagination of commuters across India, and Honda sold millions of bikes purely on the commitment of increased mileage Hero Honda has consistently grown at double digits since inception; and today, every second motorcycle sold in the country is a Hero Honda. Every 30 seconds, someone in India buys Hero Honda's top -selling motorcycle – Splendor. Hero Honda bikes currently roll out from two globally benchmarked manufacturing facilities based at Dharuhera and Gurgaon in Haryana. These plants together are capable of churning out 3. million bikes per year. A third state of the art manufacturing facility at Hardwar in Uttranchal will soon be commissioned to cope with sustained customer demand. Hero Honda's extensive sales and service network now spans over 3000 customer touch points. These comprise a mix of dealerships, service and spare points, spare parts stockists and authorized representatives of dealers located across different geographies. Hero Honda values its relationship with customers. Its unique CRM initiative – Hero Honda Passport Program, one of the largest programs of this kind in the world, has over 3 million members on its roster. The program has not only helped Hero Honda understand its customers and deliver value at different price points,

but has also created a loyal community of brand ambassadors. History Hero Honda is worlds third largest two wheeler maker. India has the largest number of two wheelers in the world with 41. 6 million vehicles. India has a mix of 30 percent automobiles and 70 percent two wheelers in the country. India was the second largest two wheeler manufacturer in the world starting in the 1950's with the birth of Automobile Products of India (API) that manufactured scooters.

API manufactured the Lambrettas but, another company, Bajaj Auto Ltd. surpassed API and remained through the turn of the century from its association with Piaggio of Italy (manufacturer of Vespa scooters). The license raj that existed between the 1940s to 1980s in India did not allow foreign companies to enter the market and imports were tightly controlled. This regulatory maze, before the economic liberalization, made business easier for local players to have a seller's market. Customers in India were forced to wait 12 years to buy a scooter from Bajaj.

The CEO of Bajaj commented that he did not need a marketing department, only a dispatch department. By the year 1990, Bajaj had a waiting list that was twenty-six times its annual output for scooters. The motorcycle segment had the same long wait times with three manufacturers: Royal Enfield, Ideal Jawa, and Escorts. Royal Enfield made a 350cc Bullet with the only four-stroke engine at that time and took the higher end of the market but there was little competition for their customers. Ideal Jawa and Escorts took the middle and lower end of the market respectively.

In the mid-1980s, the Indian government regulations changed and permitted foreign companies to enter the Indian market through minority joint ventures. The two-wheeler market changed with four Indo-Japanese joint ventures: Hero Honda, TVS Suzuki, Bajaj Kawasaki and Kinetic Motor Company (Kinetic Honda). The entry of these foreign companies changed the Indian market dynamics from the supply side to the demand side. With a larger selection of two-wheelers on the Indian market, consumers started to gain influence over the products they bought and raised higher customer expectations.

The industry produced more models, styling options, prices, and different fuel efficiencies. The foreign companies new technologies helped make the products more reliable and with better quality. Indian companies had to change to keep up with their global counterparts. The 2006 Forbes 200 Most Respected companies list has Hero Honda Motors ranked at 108. HERO HONDA'S MISSION Hero Honda's mission is to strive for synergy between technology, systems and human resources, to produce products and services that meet the quality, performance and price aspirations of its customers.

At the same time maintain the highest standards of ethics and social responsibilities. This mission is what drives Hero Honda to new heights in excellence and helps the organization forge a unique and mutually beneficial relationship with all its stake holders. HERO HONDA'S MANDATE Hero Honda is a world leader because of its excellent manpower, proven management, extensive dealer network, efficient supply chain and world-class products with cutting edge technology from Honda Motor Company, Japan.

The teamwork and commitment are manifested in the highest level of customer satisfaction, and this goes a long way towards reinforcing its leadership status. PARENT COMPANY-HERO GROUP (Profile of the Company) Hero”, the brand name symbolizing the steely ambition of the Munjal brothers, came into being in the year 1956. From a modest manufacturer of bicycle components in the early 1940’s to the world’s largest bicycle manufacturer today, the odyssey was fueled by one vision – to build long-lasting relationships with everyone, including workers, dealers and vendors.

This philosophy has paid rich dividends through the years. Hero, a name synonymous with two wheelers in India is today a multi-unit, multi-product, geographically diversified Group of companies. Through fully integrated operations, the Munjals roll their own steel, make critical components such as free wheels for their bicycles, and have the foresight to simultaneously diversify into myriad ventures, like product designing, IT enabled services, finance and insurance, just to name a few. Like every success story, Hero’s saga contains an element of spirit and enterprise; of chievement through grit and determination, coupled with vision and meticulous planning. Throughout its success trail, the Hero Group and its members have displayed unwavering passion of setting higher standards for themselves and delivering simply the best to their customers. The Hero Group philosophy is: “ To provide excellent transportation to the common man at easily affordable prices and to provide total satisfaction in all its spheres of activity. ” Thus apart from being customer-centric, the Hero Group also provides its employees with a fine quality of life and its business associates with a total sense of belonging. Engineering Satisfaction” is the prime motive of the Hero Group and it has

become a way of life and a part of the work culture of the Group. This is what drives the Group to seek newer vistas, adopt faster technology and create quality driven products to the utmost satisfaction of customers, partners, dealers and vendors. Today the Hero Group has a number of accolades and achievements to its credit ... yet consumer requirements and newer technologies provide fresh challenges every day, and at Hero the wheels of progress continue to turn Hero Group > Achievements

Hero Group ranks amongst the Top 10 Indian Business Houses comprising 20 companies, with an estimated turnover of US\$ 3. 2 billion during the fiscal year 2005-2006. The Group and its management have acquired a number of accolades and achievements over the years: Hero Group Management style has been acclaimed internationally by World Bank and BBC, UK. Hero Group is discussed as a case study at London Business School, UK and INSEAD, France. World Bank has acclaimed Hero Cycles as a role model in vendor development based on a world-wide study.

The London Business School, UK, has done a case study on the Group as model of entrepreneurship. Boston Consulting Group has ranked Hero Group as one of the top ten Business Houses on Economic value, in India. The Hero Group is recognized as a long term partner and an ideal employer: — Hero Group's partnership with Honda Motors, Japan is over 21 years old — Hero Group's Partnership with Showa Manufacturing Corporation, Japan is over 19 years old. Group Chairman, Mr Brijmohan Lall Munjal received the coveted “ Ernst & Young Entrepreneur of the Year” award for 2001. Hero

Honda Motors was ranked 3rd amongst top Indian companies Review 2000 – Asia's leading companies award (2004) by Far Eastern Economic Review.

Hero Honda Motors is the World's largest manufacturer of two-wheelers with annual sales volume of over 3.0 million motorcycles. Hero Honda Motors has been awarded the highest rating for Corporate Governance (2003) by CRISIL – India's Leading Ratings, Risk & Advisory Company and as the Best Governed Company in private sector (Dec 2004). Hero Honda ranked Number One in the two-wheeler category on Environmental Performance by the Centre for Science and Environment.

Hero Cycles Limited is a Guinness Book Record holder since 1986 as the world's largest manufacturer of bicycles, with annual sales volume of 5 million bicycles in FY 2006. Engineering Exports Promotion Council has awarded Hero Cycles with the Best Exporter Award for the last 28 years in succession. Hero Group ; Marketing Strategy A thorough understanding of the fast-changing consumer behaviour, new market segments and product opportunities along with sensitivity to changing customer needs, form the core of Hero's marketing strategy and philosophy.

At Hero we essentially have a completely customer-driven approach. A nation-wide dealer network comprising of over 3,500 bicycle dealers, 350 dealers for mopeds and 225 franchise holders for motorcycles, ensures convenient access to the Group's products across the country. With a deep sense of belonging to the Hero fraternity, the Group's dealer network has catalysed growth and acted as a strong bridge between the customers and the Group. Conventionally, very few Indian bicycle manufacturers were interested in exports.

However, the Hero Group's foray into the overseas markets pioneered Indian exports in the bicycle segment as early as 1963. It was a move prompted primarily by the need to be attuned to the global marketplace. While initial exports were restricted to Africa and the Middle East, today more than 50 percent of the Group's bicycle exports meet the demands of sophisticated markets in Europe and America. This is primarily because of appropriate product development and excellent quality that Hero offers.

The Group has undertaken a steady upgradation of technologies and there has been diversifications and setting up of newer establishments to meet stringent international standards. At the core of it all is a customer-centric scheme of policies and production ... and the bottom line is to " Add Value while Engineering Satisfaction. " Growth of Hero Honda Hero Honda experienced great growth throughout its early days. The Munjal family started a modest business of bicycle components. By 2002 Hero Group had sold 86 million bicycles producing 16000 bicycles a day.

Today bike has an assembly line of nine different models of motorcycles available. It holds the record for most popular bike in the world by sales for its Splendor model. Hero Honda Motors Limited was established in joint venture with Honda Motors of Japan in 1984, to manufacture motorcycles. It is currently the largest producer of Two Wheelers in the world. It sold 3 million bikes in the year 2005-2006. Recently it has also entered in scooter manufacturing, with its model PLEASURE mainly aimed at girls. HUNK is the latest offering from the HHML stable.

Today bike has managed to achieve indigenisation of over 95 percent, a Honda record worldwide. Hero Honda is at present the largest-selling Indian motorcycle and the most fuel-efficient in its category – the outcome of Hero Group's foresight and another classic example of how the Group strives to provide the customer with excellence and satisfaction. Bike became the first company in the country to introduce four-stroke motorcycles and set the standards for fuel efficiency, pollution control and quality. It has an excellent distribution and service network spread throughout the country.

Hero Honda is the market leader in motorcycles, with sales of over 2 million motorcycles and a strong market share of 48% during 2003-04. Customer-centric: The Company's success has been driven by customer centric policies and teamwork to achieve progress and productivity. The philosophy of Hero Honda emphasizes the "Pursuit of Excellence" in designing and manufacturing technologically and qualitatively superior products and in creating economic value for its stakeholders. It takes care of its customers through value based competitive pricing and good after sales service.

Excellent marketing, finance and loan services, an efficient dealer network, tactical promotion comprising of fuel conservation campaigns, mobile workshops, safety driving courses and others, all placed Hero Honda in a league distinct from the conventional. The Company focuses on providing "Value for Money" through its pricing strategies and after sales services. Excellent Collaborator Relationship: bike is now the leading two-wheeler Company in India in terms of net sales (sales less excise duty value, which was Rs 3171 crores).

It is both the leading two wheeler manufacturer and sales operation among Honda's worldwide operations. The Company has maintained excellent relationship with all stakeholders including its collaborators. Hero Honda has emerged as the most successful joint venture Company of Honda in the world, their relationship over 116 years old now. ERP Implementation: The Company has successfully implemented SAP R/3 (ERP Program – “ Project Synergy”) thereby enabling proper planning and company wide efficiency. The modules were implemented and stabilized in a record 10 months period.

It speaks of the commitment of the management and the implementation team towards making its processes accountable and efficient. Product Range and New Models: The Company's product range includes “ Splendor” which is the largest selling motorcycle brand in the world with over 1. 86 million vehicles sold in 2003-04. A cumulative over 9 million customers are the real foundation of the company's strength. Its volumes have been growing at a strong pace of 40% p. a. over the last five years. The Company launched a new 100 cc model “ Passion” in January 2001.

The motorcycle is focused on style and contemporary design, compared to the Company's earlier motorcycles that were focused on utility and/or style. “ Passion” has received an excellent response from the market and has established itself well, with sales reaching a level of 19000 units in March 2001, within just three months of its launch. In April 2001, another 100 cc model “ Joy” was launched successfully. Its focus is on better styling and improved riding comfort. Just-in-Time Manufacturing The Hero Group through the Hero Cycles Division was the first to introduce the concept of just-in-time manufacturing.

The Group boasts of superb operational efficiencies. Every assembly line worker operates two machines simultaneously to save time and improve productivity. The fact that most of the machines are either developed or fabricated in-house, has resulted in low inventory levels. In Hero Cycles Limited, the just-in-time inventory principle has been working since the beginning of production in the unit. This is the Japanese style of production. In India, Hero is probably the only company to have mastered the art of the just-in-time inventory principle.

Ancillarisation An integral part of the Group strategy of doing business differently was providing support to ancillary units. There are over 300 ancillary units today, whose production is dedicated to Hero's requirements and also a large number of other vendors, which include some of the better known companies in the automotive segment.

Labor relations In Hero Group there is no organized labor union and family members of employees find ready employment within Hero. The philosophy with regard to labor management is " Hero is growing, grow with Hero. Hero workers receive a uniform allowance, as well as House Rent Allowance (HRA) and Leave Travel Allowance (LTA). Extra benefits include medical check-ups not just for workers, but also for the immediate family members. For the majority of the production workers, who are hired through contractors, these benefits are out of reach. This and other problems lead to a strike and factory occupation by 4, 000 temp workers in the Gurgaon plant in spring 2006.

Diversification Throughout the years of enormous growth , the Group Chairman, Mr. Lall has actively looked at diversification. A considerable level of vertical ntegration in its manufacturing activities has been ample in the Group's growth and led

to the establishment of the Hero Cycles Cold Rolling Division, Munjal and Sunbeam Castings, Munjal Auto Components and Munjal Showa Limited amongst other component-manufacturing units. Then there were the expansion into the automotive segment with the setting up of Majestic Auto Limited, where the first indigenously designed moped, Hero Majestic, went into commercial production in 1978. Then came Hero Motors which introduced Hero Puch, in collaboration with global technology leader Steyr Daimler Puch of Austria.

Hero Honda Motors was established in 1984 to manufacture 100 cc motorcycles. The Hero Group also took a venture into other segments like exports, financial services, information technology, which includes customer response services and software development. Further expansion is expected in the areas of Insurance and Telecommunication. The Hero Group's phenomenal growth is the result of constant innovations, a close watch on costs and the dynamic leadership of the Group Chairman, characterized by a culture of entrepreneurship, of right attitudes and building stronger relationships with investors, partners, vendors and dealers and customers.

Criticism There is a frequent complaint that the biking enthusiasts in India make in many Auto-related forums which is related to Hero Honda not making serious efforts to upgrade its models as frequently as its competitors like Yamaha, Bajaj and TVS. Many bike enthusiasts in India feel that Hero Honda only upgrades the “stickers” along with the names of its bikes. ‘Sticker’ upgrading can be easily noticed by observing the technical specifications of the models Splendor, Splendor Plus, Passion, Passion Plus, Karizma, Karizma R.

Another frequent complaint made by Bike enthusiasts is that Hero Honda has too many bike models with exactly same or similar engines despite of the company claiming that it caters to ‘ all segments’. While Bajaj rolls out new models with many improvements, there have been very less new or feature-upgraded models from Hero Honda. The latest bike from Hero Honda is Hunk which again has an engine more or less similar to CBZ-Xtreme and now Yamaha has launched two new bikes YFZ-R15 and FZ16 to compete with Hero Honda and Bajaj. Honda Motor Co. Ltd. Manufacture, sale, lease and repair of motorcycles, automobiles and power products CountryJapan CategoryHeadquarter Established1948 Honda Motor Co. , Ltd. operates under the basic principles of “ Respect for the Individual” and “ The Three Joys” — commonly expressed as The Joy of Buying, The Joy of Selling and The Joy of Creating. “ Respect for the Individual” reflects our desire to respect the unique character and ability of each individual person, trusting each other as equal partners in order to do our best in every situation.

Based on this, “ The Three Joys” expresses our belief and desire that each person working in, or coming into contact with our company, directly or through or products, should share a sense of joy through that experience. In line with these basic principles, since its establishment in 1948, Honda has remained on the leading edge by creating new value and providing products of the highest quality at a reasonable price, for worldwide customer satisfaction. In addition, the Company has conducted its activities with a commitment to protecting the environment and enhancing safety in a mobile society.

The Company has grown to become the world's largest motorcycle manufacturer and one of the leading automakers. With a global network of 501* subsidiaries and affiliates accounted for under the equity method, Honda develops, manufactures and markets a wide variety of products, ranging from small general-purpose engines and scooters to specialty sports cars, to earn the Company an outstanding reputation from customers worldwide. Foundation '47Honda's first product, the A-type bicycle engine, produced. * A year before the establishment of Honda Motor Co. , Ltd.

49Production of the Dream D (2-stroke, 98cc), Honda's first production motorcycle, begins. '51Dream E (4-stroke, 146cc) released. '52Cub F (2-stroke, 50cc) released. '53Benly J (4-stroke, 90cc) released. '58Long-selling Super Cub C100 motorcycle released. '61Knockdown motorcycle exports from Suzuka to Taiwan begin. '63Super Cub awarded the French Mode Cup. '68Motorcycle production reaches 10 million units. '69Dream CB750 Four, with a 4-cylinder engine, released; export of the bike to North America begins. '72Elsinore CR250M released. '74Gold Wing GL1000 released in US. '76Roadpal released. 980's '80Tact scooter released. '82VF750 Magna released. '87Tact Fullmark released. Japanese motorcycle production reaches 50 million units. '88US-made Gold Wing Touring motorcycle released in Japan. Thai-made Cub 100EX released in Japan. 1990's '90Super Cub receives Japan Design Award. '92Super Cub production reaches 20 million units. '94Limited-edition sales of CUV-ES electric scooter begin. '96Sales of Valkyrie, a large US-made custom motorcycle, begin. '97Motorcycle production reaches 100 million units. '99Giorno Crea, a water-cooled 4-stroke 50cc scooter, released. 2000's 00Environment-friendly VFR sports motorcycle released. ' 01400cc scooter, Silver Wing, released. Dio, a 50cc

water-cooled 4-stroke scooter, released. US-made 1800cc Gold Wing sports touring model released. '02Chinese-made scooter, Today, released.

'03Pantheon, first motorcycle equipped with a small PGM-FI, released in Europe. CBR600RR SuperSports bike released. '04Hybrid scooter developed. First motorcycle powered by Honda FC Stack developed. PGM-FI-equipped 50cc scooter, Smart Dio Z4, released. '05ABS-equipped 250cc scooter, Sforza Z, released. Worldwide motorcycle production reaches 150 million units. 06Cumulative global output of Super Cub hits 50 million units.

'07Airbag system for Gold Wing released ORGANIZATION & STRUCTURE

Global Operations Japan Japan plays a key role as the center of Global Honda, honing our edge in advanced technology. Building a framework of craftsmanship as Honda's model for the world Our Japan headquarters plays a key role in global operations by working to develop advanced technologies and coordinate worldwide business efforts for optimal performance. This role continues with construction of a new R&D facility opening in 2009, further strengthening Honda's prowess in value-added research and enhancing Honda's reputation for distinctive ingenuity. In the manufacturing sphere, a new engine plant opens in 2009, followed by a new automobile factory in 2010, and we are also boosting production of automobile automatic transmissions at our Hamamatsu Factory. In the motor-cycle area, where manufacturing being consolidated at our Kumamoto Factory is the most advanced operation of its kind in the world, Honda focuses on high-efficiency, high-quality production systems to meet worldwide demand.

Honda shares this expertise and know-how in all technical fields with our production facilities throughout the world, enhancing advanced craftsmanship

wherever we operate. Unique Honda initiatives on display in the Japanese market Japan plays an important role as a major world market for Honda innovation. For example, the majority of motorcycles sold in Japan are equipped with electronic fuel-injection control, which improves fuel efficiency and environmental performance. In our automobile business, Honda launched a full model change of the Fit in 2007.

By November of the same year, with the enthusiastic support of a wide range of customers, domestic sales of the Fit passed one million units. In our power products business, domestic sales of the compact household cogeneration unit launched in 2003 reached 50, 000 units in July 2007. Also in the same year, Honda commenced sales of the next-generation non-silicon thin-film solar cell developed with proprietary technology, accelerating efforts to counter global warming. Honda will continue our commitment to create new value for Honda customers throughout the world. Compact household cogeneration unit Forza South America

Honda further expands motorcycle production while strengthening auto production capacity. Cumulative production of motorcycles reaches 10 million units South America started importing Honda motorcycles in 1960. Local motorcycle manufacturing began in 1976 at Moto Honda Amazonia, located in Manaus, in the Amazon region of Brazil. Today, Honda's share of the Brazilian motorcycle market stands at more than 70%, and the cumulative number of motorcycles manufactured exceeded 10 million in August 2007. Seventeen models are now produced locally, and the ratio of parts procured domestically comes to more than 90%.

Production of the “ NF100 Wave,” the second locally manufactured motorcycle, started in Argentina in 2006. The opening of a new motorcycle factory in Peru in 2007 also expanded output capacity in South America. Additionally, a wide range of power products is manufactured and sold in response to regional needs. Increasing product capacity to meet South America’s growing demand for cars In 1992, Honda began to import and sell cars in Brazil. We established Honda Automoveis do Brasil in 1996, opened an R&D office in Brazil, and began manufacturing the Civic there in 1997.

In 2003, we began producing the Honda Fit* as our second locally manufactured model, and in 2006, we launched the Fit FFV and Civic FFV in Brazil. These Flex Fuel vehicles run on gasoline and ethanol, which has become very popular in that nation. We are also establishing a new automobile factory in Argentina, where local production will begin in 2009. In addition to meeting the demands of the growing Argentine market, this facility will also export to the other countries in the region, assuming shared responsibility for car production in South America together with Honda’s factory in Brazil. Asia, Oceania

Significant growth in Asian markets leads to localizing R&D and expanding productive capacity. Asia’s motorcycle market set for continued growth The primary vehicle of everyday transportation in Asia, the motorcycle is propelling sales growth in the region. Honda began motorcycle production in Asia in Taiwan in 1962, and expanded our motorcycle production capacity by establishing one plant after another in Asian nations, including Pakistan, Thailand, Indonesia, The Philippines, India, and Vietnam. By 2007,

cumulative output of motorcycles reached 20 million units in India, 15 million in Thailand, and 20 million in Indonesia.

As markets in India, Vietnam, and other areas continue to grow, our next step is to expand our production capacity to address diversifying customer needs and meet this growing demand. We are also progressing steadily with plans to increase the range of motorcycles equipped with our programmed fuel injection system (PGM-FI), starting in Thailand and extending the program to all countries in Asia — helping to lessen environmental impact throughout the region. Cumulative power products output in Thailand reaches 10 million units Honda's brand power in the motorcycle market is the basis for strong performance in

Asia's continuously expanding automobile markets. Honda started manufacturing cars in Malaysia and Taiwan in 1969, and now manufactures in India and Pakistan as well. Additionally, Honda began selling cars in Korea in 2004, and in 2006 opened a new factory in Vietnam, where the automobile market is experiencing rapid growth. In Thailand, cumulative output of cars reached one million units in 2007. Based on growing demand in Thailand and India, Honda is strengthening our production framework with a second plant in both countries.

Additionally, Thailand's cumulative output of power products reached 10 million units in 2007. In order to offer products that are even better attuned to the needs of Asian customers, Honda is establishing a local research and development base in Thailand, and accelerating measures to strengthen our business bases throughout Asia/Oceania. GX160T Accord North America

Honda's international plants lead the way in accelerating localization and expanding production. Further strengthening production facilities in North America When American Honda Motor Co. started motorcycle sales in 1959, this was our first local enterprise outside of Japan. In 1978, Honda of America Mfg. (HAM) was established to produce motorcycles in the U. S. , reflecting our basic concept of “ building products close to the customer. ” In 1982, Honda began manufacturing passenger cars in North America, becoming the first Japanese car maker to take this bold step. The year 2007 marked a quarter century of Honda's commitment to automobile manufacturing in the U. S. , and now approximately 80% of Honda's cars sold in North America are manufactured there.

Also in 2007, cumulative automobile production at Honda's Mexico plant reached 200, 000 units. In fall 2008, the company's seventh automobile plant in North America will open in Indiana, and an automobile engine factory will open in Canada. These developments will strengthen Honda's production framework, allowing the company to respond flexibly to changes and growth in market demand. Increasing local R&D and sales Honda's recently established Acura Design Studio in Torrance, California, creates new design strategies for the Acura brand. Meanwhile, Honda Aero, Inc. as started construction of corporate headquarters and a manufacturing plant in North Carolina, which will be the center of our aero engine business. In the motorcycle business, sports bikes and off-road bikes continue to be sold, and the product lineup is being expanded to include ATVs and personal watercraft. In the power products area, we have begun selling the compact household cogeneration unit in some parts of the U. S. Building on the world-

leading manufacturing quality, technology, and products of our North American operations, Honda will set even higher standards to meet customer expectations.

BF225 Gold Wing Europe, Middle East, Africa Our diesel car lineup expands as Europe shows support for Honda brands. Winning the top share in several European countries In the 1950s, Honda first exported our motorcycles to Europe. In 1961, we became the first Japanese motorcycle manufacturer in Europe to establish a local motor company, and in the same year, Honda won victories in the Isle of Man Tourist Trophy races, sweeping 1st through 5th places in the 125cc and 250cc classes.

In 1963, Honda opened a motorcycle manufacturing plant in Belgium, the first such foreign-based facility for the company, followed in 1976 by a motorcycle plant in Italy. Now, Honda motorcycles are popular for their dynamic performance, driveability, and environmental performance, earning the top market share in many European countries. Honda's strength in motorcycle sales was followed by establishment of a power products factory in France in 1986, and the start of automotive manufacturing in the U. K. in 1992. Honda continues to expand our product lineup in our determination to increase customer satisfaction in Europe.

Developing models attuned to European tastes Aiming for further business expansion in Europe, Honda is promoting product development that meets regional needs by establishing a broad-based local network of company facilities and R&D offices. In 2004, Honda released a diesel version of the Accord, the first car to be fitted with Honda's own diesel engine and

designed to meet EU environmental performance standards for emission control (Euro 4). The diesel lineup expanded rapidly thereafter with the addition of diesel CR-V, FR-V and Civic models.

Targeting local customer needs, Honda subsequently launched a European version of the Civic in 2006, which has been well received by a wide range of customers. Thus, we maintain the Honda identity as the brand continues to gain strength in the intensely competitive European market. China Business steadily expands throughout the area, becoming more flexible to meet diversifying needs. Increased local procurement of powertrain parts Keeping pace with China's fast-growing car market, in 2006 Honda expanded production capacity at Dongfeng Honda Automobile Co. , Ltd. and Guangzhou Honda Automobile Co. , Ltd.

In 2007, cumulative output at Guangzhou reached one million units, and a new company was established to strengthen the cost-competitive advantages of Honda powertrain parts. Plans are in place to construct an R&D facility at the plant, complete with a full-range high-speed test track for use in development of Guangzhou Honda brand products. Honda's own brand product lineup is also expanding in China. Following Guangzhou Honda's introduction of the Accord in 1999, the Odyssey and Fit models were also introduced, while in 2007, Dongfeng Honda commenced the sales of the Civic Hybrid in addition to production and sales of our ainstay cars, the Civic and the CR-V. Additionally, in September 2006 Honda introduced the Acura brand to the luxury vehicle market in China to meet the changing needs of customers in this growing market. The first brand expansion outside North America where the car was originally released, this introduction is a timely

response to customer needs, bringing new value to customers in China.

Growth of motorcycle product operations in China In Honda's motorcycle business in China, two joint-venture companies, Sundiro Honda Motorcycle Co. and Wuyang-Honda Motors (Guangzhou) Co. have been active in manufacturing scooter products. These include the 50cc Today, a popular key product in Japan which is equipped with the PGM-FI electronic fuel injection system, as well as products targeting markets inside China. In addition, the 125cc Joying scooter-equipped with the new engine combining driving performance and fuel efficiency-went on sale in 2007. In the power products category, Honda has started to manufacture generators and general-purpose engines, both for export and use in China. Furthermore, Sundiro Honda's Tianjin plant, Wuyang-Honda, and Guangzhou Honda Automobile Co. Ltd. have all been designated " green factories. " In keeping with their dedication to environmentally responsible craftsmanship, these companies are vigorously committed to raising the effectiveness of Honda's environmental performance. Sales and Service By creating products and services that highlight the core values that make Honda unique, we would like to provide our customers with joy and excitement beyond their expectations. Accordingly, the Honda brand stays a step ahead of the diverse needs of our customers, always offering new possibilities for richer, more rewarding lifestyles.

In this way, Honda products enhance customers' enjoyment of life.

Expanding customer satisfaction activities " Next time, too... a Honda. " The ultimate goal of our sales activities worldwide is to satisfy our customers so that they will continue to come back for more Honda quality products. To

ensure this, we have implemented a vigorous Customer Satisfaction (CS) program covering all of our sales companies. This program aims to enhance customer satisfaction by strengthening our attention to detail in product and service activities through all stages of sales, delivery, and after-sales service.

In March 2006, all sales channels in Japan were merged under the name of Honda Cars, providing all Honda automotive brands through a single sales network that is easier for customers to understand. We will continue to strengthen sales and services targeted to regional needs and tailored to customers in each region, with an extensive product lineup backed by IT support. Thus, we can continue to enrich our customers' lifestyles as only Honda can. Serving customers (Brazil) After-care (U. K.) Industry scenario The two-wheeler industry thrives in developing countries especially in densely populated countries like India.

With income levels rising, customers are opting for entry-level motorcycles than scooters. The two-wheeler industry grew 11. 6% yoy to 5. 64mn units in FY04 from 5. 05mn units in FY03. The share of motorcycles in total two-wheeler sales continues to improve (76. 6% from 74. 4% in 2002-03) while that of geared scooters continues to be on the decline. In terms of volumes, two-wheelers constitute nearly 80% of the vehicles produced in India. However, in value terms, they account for 25% approximately of the total vehicle production.

HHML is the market leader followed by Bajaj Auto and TVS Motors, in that order. In the previous year, there were early signs that growth in the two-wheeler industry was slowing. Within the space of a year, the pace of the fall

has been quite dramatic, and perhaps for the first time since economic reforms started in 1991, India's domestic two wheeler market entered a period of de-growth. The industry clocked total volumes of 8.03 million during the year in review, a fall of nearly 5 per cent compared to the previous year. The picture was bleaker in the domestic market, where the industry clocked sales of 7.9 million, a decline of 8 per cent. While the motorcycle industry continues to dominate the structure of the two wheeler industry, this category's contribution to the domestic two wheeler industry actually declined during the year from 83 per cent to a little over 79 per cent—a clear symptom of the ongoing slowdown. In fact, this is the first time since the early nineties since motorcycles' share of the two wheeler market has actually declined; reversing a consistently growing trend from the previous year. In contrast, there was another trend reversal during the year.

After appearing to go into decline since the early 1990s, the scooter market clocked a revival of sorts during the year. After suffering at the hands of motorcycles for many years, scooter sales in the domestic market as a percentage of motorcycles sales actually increased from 12.4 per cent to 14.8 per cent. As in previous years, the three price points in the motorcycle segment continued to grow at different paces. Dark clouds had started gathering in the entry segment during the previous year, with sales of entry level bikes growing at just 5 per cent.

During the year in review, the entry segment in the domestic market shrunk visibly from over 36 per cent of total motorcycle sales to around 30 per cent. In just two years, the entry segment's share in the total motorcycle mix has declined by 10 per cent. This sharp decline shows the clear impact of interest

rates on two wheeler buyers at the entry level. Interest rates started firming up in early 2007, and have shown no signs of letting up ever since; the slump in the entry segment has coincided with this rise.

This is an indication that the entry segment is very interest elastic, and buyers in this segment (SEC B and C) react to higher interest rates perhaps by either postponing or cancelling their purchase decisions. Rising interest rates impacted the deluxe segment of the motorcycle industry as well, albeit to a lesser extent. It was a matter of some irony that even where all the major players in the executive segment clocked an overall decline in numbers, the executive segment's share of the domestic motorcycle market actually increased by 4. 4 per cent.

The executive segment now makes up nearly 57 per cent of the motorcycle segment, compared to 52. 5 per cent in the previous year. Quite obviously, the decline of the entry segment has been so sharp, that the absolute reduction in executive segment sales has translated into a relative increase in the executive segment's overall share in the motorcycle mix. The premium segment was the only category of motorcycles that managed to actually increase absolute sales in a sharply declining market. Sales in the domestic market for this segment actually increased by 2. percent—while the premium segment's overall share of the motorcycle market increased from 11. 1 per cent to 13 percent. This shows that of the three segments the interest effect has affected premium buyers the least. This isn't surprising, considering that buyers in the premium segment mostly fall in the SEC A category, who are the least likely to postpone purchase decisions on account of an increase in the EMI. At a broader level, there is no real cause for alarm

in the executive segment or the premium segment, despite the current decline and slowdown.

According to the National Council of Applied Economic Research (NCAER) in 2001-02, there were 61 million Indians belonging to families that Why was the Indian market attractive? At first glance, the Indian market was attractive because of its sheer size and significant growth. India boasted a population of approximately 725 million in 1983, growing at a rate of 2.2 per cent per year. At that rate of growth, the Indian population was expected to grow by 163 million people in the 1980s and to surpass 1 billion people by 2000.

Not only was the total population of India enormous, but Munjal also knew that the adult age group most likely to purchase two-wheelers (15–65-year-olds) was expected to grow to over 500 million by 1990 and to an estimated 695 million by 2005. But why would one want to pursue a market where 35 per cent of the population was impoverished? Mitigating this fact was growth in the purchasing power of the Indian population, expected to grow per capita by 5.2 per cent between 1983 and 1993. Furthermore, even in the early 1980s, the country was wealthy enough to support an infrastructure of 1.1 million kilometres of highway. In total, Munjal saw that a large population coupled with a substandard economic situation was an ideal environment for inexpensive, motorized, two-wheeled scooters. Honda also saw the potential. With air pollution from industry and vehicle emissions topping India's environmental concerns, emissions regulations had become increasingly stringent. These regulations made environmentally friendly vehicles more attractive, and two-wheelers with their fuel efficiency and low emissions fit the bill.

Honda also recognized that Asian countries such as India and China, with their huge populations and relatively low levels of economic development, were likely to embrace two-wheeled vehicles as a popular means of transport. In short, India offered a large and growing market for two-wheelers, supported by several favourable macro-trends that boded well for the future: growth in numbers in the demographic group most likely to buy two-wheelers, growing purchasing power across the Indian population, and regulatory encouragement. Factors which made Honda select the Hero Group for a variety of reasons, which included:

Its engineering capability
Relevance and salience of HERO brand
Distribution network
Commitment to Quality
Know-how and experience in handling large volume production and distribution
Tight focus on financial and raw material processes
Low employee turnover
Cordial Industrial Relations
The partnership is more than 21 years old
Group
How did Honda enter the market? Rather than enter the Indian two-wheeled market alone, Honda opted to join hands with the established bicycle manufacturer Hero Cycles, a company with proven manufacturing, distribution and management practices.

Founded by Brijmohan Lall Munjal and his brothers in 1945, Hero Cycles was an ideal partner for Honda. In business for nearly 40 years, Hero had manufactured and distributed bicycle parts and bicycles in India for as long as Honda had produced motorcycles. And, with strong distribution channels and well-honed supplier management, the Hero Cycles name was as reputable in India as was Honda's in Japan. But Hero Cycles was no ordinary

partner. The Munjal family's management practices had led to exceptional results, low employee turnover, and never a day of strike in 40 years.

The company used modern manufacturing concepts such as just-in-time supply chain management, multi-tasking assembly line workers, and stringent quality assurance programmes. Most importantly, Hero's management brought an intimate familiarity with the Indian economy, government, business culture and people. 'What drew Honda to Hero was the philosophy and value of the group. It's good management and customer-oriented thinking', said Honda's Kazumi Yanagida, one of two Honda directors on the Hero Honda board. Macro-trends steer India's two-wheeled market

In the 1980s, the geared scooter with a four-stroke engine was Hero Honda's most popular two-wheeled vehicle, providing inexpensive and reliable transportation to India's largely rural population and growing middle class. Hero Honda had seen something that all the motorcycle manufacturers had missed. The biggest chunk of demand was to come from villages, small towns and the middle-class office-goers in cities for whom the fuel economy of a four-stroke engine was a bigger draw than the looks and the power of two-stroke bikes.

As Brijmohan Lall Munjal remarked, 'Looking into the rear view mirror today, the choice of a four-stroke bike in the 1980s may sound providential, but we knew that buying a product is one thing and running it for a long time is quite another. That is why we wanted the running cost of our vehicle to be low'. The advantages of four-stroke engines were threefold. Not only did they

produce less pollution than a two-stroke engine (commonly used in other motorcycles) but they were also more fuel-efficient and ran for longer than the more powerful two-stroke engine.

Fuel efficiency and product longevity translated directly into money saved. Saving money appealed strongly to India's middle-class consumer. Hero Honda had the first and for many years only four-stroke vehicle. As its early ads said, ' Fill it, shut it, forget it. ' Yet demand for these scooters would last less than a decade. The growing purchasing power of India's expanding middle class would soon change what they wanted in two-wheeled transportation. In 1988, to understand its market better, Hero Honda conducted a massive customer survey, collecting some 25, 000 responses.

The survey told Hero Honda a surprising story. India's consumers had changed their minds. Scooters were no longer the vehicles of choice. Motorcycles were to become the two-wheel vehicles of the 1990s. Atul Sobti, Senior Vice President of Marketing and Sales for Hero Honda said, ' It's thanks to that survey that today we sell over a million motorcycles in a year'. Sobti couldn't have been more accurate. In response to these surveys, Hero Honda set up a second plant in Gurgaon to allow for additional manufacturing capacity.

Ravi Sud, Vice President of Finance said, ' With additional capacity, we found it easier to cash in on the trend in favour of motorcycles'. By 2000, motorcycles were the choice of 58 per cent of India's twowheeled customers, up from 33 per cent in 1996. By making efforts to gauge and understand its market and the trends therein, Hero Honda cemented its reputation as a

market-driven company, one that anticipated and acted upon these trends. As Brijmohan Lall Munjal said, ‘ The excellent results achieved by Hero Honda can be attributed to our continued focus on understanding and satisfying customer needs to the finest detail.

We are committed to maximizing value to all our stakeholders, by delivering “ value for money” products with the best in technology and service, to our customers, consistently, wherever they are. ‘ In response to its customers’ desires, Hero Honda introduced other customer-friendly innovations to the Indian two-wheeled market, extending motorcycle warranties from six months to two years, and developing a Passport Scheme that included accident insurance and reward points for purchases and service. Growth in relation to GDP of two wheeler Two-wheeler industry segment wise: Market share of Key Players

PRE-SAP SCENARIO OF HERO HONDA The company has a highly efficient and reliable network today. But til 1988, Hero Honda depended on legacy systems, which had a high failure rate. The set up was not in a position to cater top the expansion Hero Honda went through and was not suitably updated. Because it was obsolete, the management decided to revamp the entire It set up according to S R Balasubramanian, vice president, Information Systems, Hero Honda Motors. HHML had legacy systems working on different working on different platforms, which were developed in-house and tailor-made to their method of working.

Since the legacy systems took care of data processing, only some operational reports got generated by the system. Real MIS resided on Excel

sheets along with different kinds of analysis. Information, therefore, was fragmented and the authenticity was questionable. Over a period of time, the systems underwent changes and represented a patchwork of several additions and modifications. They were loosely integrated across functional areas. There was duplication and information inconsistency as happens with most legacy applications. It was therefore important to migrate from this platform to something more stable and futuristic.

MOTIVATION FOR CHANGE At that point of time the management perception about IT was also changing and they decided IT would be part and parcel of Hero Honda. This helped in modernizing the information systems at the company. Apart from this, competition in business and deployment of bandwidth hungry applications forced the company to migrate from a slower legacy network to the new faster and more reliable network. The management's vision was to align IT with business. IT was to be used as a strategic business tool rather than for a limited purpose of data processing.

An information systems plan was drawn up, which besides other things, stated that the organization would go for common systems across the organization. It would also achieve integration between all systems; emphasis would be on improving business processes, to adopt best practices and to cover the entire supply chain. HHML wanted to consider only state-of-the-art systems and one which has a clear road map for the future including conduct of business over the net. Tired of in-house developed systems, they wanted a standard solution and in particular, an ERP.

Their idea was to partner with a technology vendor capable of taking them forward as the business expectations increase. BRIEF PROFILE OF DIRECTORS MR. BRIJMOHAN LALL MUNJAL Mr. Brijmohan Lall Munjal is the founder Director and Chairman of the Company and the \$ 2. 8 billion Hero Group. He is the Past President of Confederation of Indian Industry (CII), Society of Indian Automobile Manufacturers (SIAM) and was a Member of the Board of the Country's Central Bank (Reserve Bank of India). In recognition of his contribution to industry, Mr. Lall was conferred the Padma Bhushan Award by the Union Government.

Mr. Brijmohan Lall Munjal is currently on the board of the following companies:

No.	Name of Company	Nature of Office
1	Hero Honda Motors Limited	Chairman and Whole-time Director
2	Hero Cycles Limited	Chairman and Director
3	Hero Honda Finance Limited	Chairman and Director
4	Munjal Showa Limited	Chairman and Director
5	Sunbeam Auto Limited	Chairman and Director
6	Easy Bill Limited	Director
7	Hero Financial Services Limited	Director
8	Munjal Auto Industries Limited	Director
9	Shivam Autotech Limited	Director
10	Daimler Hero Commercial Vehicles Limited	Director

MR. PAWAN MUNJAL

Mr. Pawan Munjal is the Managing Director and CEO of the Company. He is responsible for growth and strategic planning for the entire Group. A graduate in mechanical engineering, Mr. Munjal has been instrumental in bringing about technological and managerial excellence in the Company's operations. He has been the Chairman of several Committees of CII. He is also on the board of Indian Institute of Management, Lucknow . An avid

golfer, Mr. Munjal is Past Chairman of the Asian PGA Tour Board of Directors and the Past President of Professional Golfers Association of India (PGAI).

Under his guidance, Hero Honda launched the Hero Indian Sports Academy (HISA) in collaboration with Laureus Foundation to provide equal opportunities in sports to various communities and to reward talent in the country. Mr. Pawan Munjal is currently on the Board of the following companies:

No.	Name of Company	Nature of Office
1	Hero Honda Motors Limited	Managing Director
2	Hero Honda Finance Limited	Director
3	Daimler Hero Commercial Vehicles Limited	Director

MR. TOSHIAKI NAKAGAWA Mr. Toshiaki Nakagawa joined the Company as Joint Managing Director on February 1, 2006. He joined Honda Motor Co. Ltd, Japan in April 1973 and later on took various assignments at Senior Positions in world wide Honda network, such as staff member of UK, Hongkong and President of Honda Czech Republic, Honda France and General Manager of Honda Beijing Office. Before joining the Company, he held the position as General Manager of Operating Office of China, ASEAN succeeding by Operating Office No. 1 (North America, South America and Europe) at Honda Head Office, Japan. His specialization is “ Overseas Sales of Automobiles and Motorcycles. ” Mr. Nakagawa is currently on the Board of the following companies:

No.	Name of Company	Nature of Office
1	Hero Honda Motors Limited	Joint Managing Director
2	Hero Honda Finance Limited	Director

MR. SUMIHISA FUKUDA Mr. Sumihisa Fukuda was appointed as an Additional and Technical Director in the Whole-time employment of the Company by way of passing a resolution by Circulation on May 13, 2008 . Mr. Fukuda was born on December 12, 1955 at Nagasaki , Japan and after completing a course in

Mechanical Engineering, he joined Honda Motor Co. , Ltd. , Japan as an Engineer & has completed various assignments in Honda. In recent past, he was working as Manager – Asian Autoparts Co. Ltd. , Thailand .

He brings with him rich experience of more than 30 years. Mr. Fukuda is currently on the Board of the following companies:

No.	Name of Company	Nature of Office
1	Hero Honda Motors Limited	Whole-time Director
2	Hero Honda Finance Limited	Director

MR. OM PRAKASH MUNJAL

Mr. Om Prakash Munjal is also founder Director of the Company. He is the Co-Chairman and CEO of Hero Cycles Limited, the largest producer of bicycles and bicycle components in the world. Under his leadership, Hero Cycles has found its way into the Guinness Book of World Records. In 1990, Mr. Munjal was awarded the “ Indira Gandhi National Unity Award” by the President of India.

Mr. Om Prakash Munjal is currently on the Board of the following companies:

No.	Name of Company	Nature of Office
1	Hero Cycles Limited	Co-Chairman and Managing Director
2	Majestic Auto Limited	Chairman & Director
3	Hero Financial Services Limited	Chairman & Director
4	Hero Motors Limited	Director
5	Munjal Auto Industries Limited	Director
6	Shivam Autotech Limited	Director
7	Highway Industries Limited	Director
8	Hero Global Design Limited	Director
9	Easy Bill Limited	Director
10	Hero Honda Motors Limited	Director
11	Hero Honda Finance Limited	Director

MR. SUNIL KANT MUNJAL

Mr.

Sunil Kant Munjal born on December 14, 1957 , at Ludhiana is aged 49 years. After his graduation he underwent training in the field of Mechanical Engineering. Presently he is Managing Director of Hero Cycles Ltd. (C. R.

Division) and Hero Corporate Services Limited. In 2004-05, Mr. Munjal became the President of Confederation of Indian Industry (CII), India ' s premier business association. He is also on the Board of Indian School of Business, Hyderabad and is visiting faculty at various Business Schools and Corporate. His specialization is in Business Studies and Holistic Management Practices.

Apart from the above he is a member of Prime Minister's Council on Trade and Industry, Consultative Group on Industry, Planning Commission, Government of India and SEBI Committee on Disclosures. He has made significant contributions to some of the National-level Economic and Labour reforms in India either by chairing some of the reforms Committee or as a member. Mr. Sunil Kant Munjal is currently on the board of the following companies:

No.	Name of Company	Nature of Office
1	Hero Management Service Limited	Chairman & Managing Director
2	Hero Corporate Service Limited	Chairman
3	Shivam Autotech Limited	Chairman
4	Hero Cycles Limited	Managing Director
5	DCM Shriram Consolidated Limited	Director
6	Easy Bill Limited	Director
7	Hero Honda Motors Limited	Director
8	Hero Motors Limited	Director
9	Satyam Auto Components Limited	Director
10	Flourish Manufacturing & Automotive Ltd.	Director
11	Daimler Hero Commercial Vehicles Limited	Director
12	Abhayuday Manufacturing & Automotive Ltd	Director
13	Arrow Infrastructure Limited	Director
14	Hero Mindmine Institute Limited	Director
15	Hero Ergo Life Insurance Company Limited	Director

MR. MASAHIRO TAKEDAGAWA Mr.

Masahiro Takedagawa was appointed as an Additional Director on the Board of the Company w. e. f. May 30, 2006 . He joined Honda Motors Co. , Ltd,

Japan as an Area Manager in the Car Retail Operations. He was thereafter deputed in the Sales & Marketing Division of Honda Motors at USA , Italy & Thailand . Before joining Honda Siel Cars India Limited as President & CEO in April 2005, he was stationed at the Product Planning & Marketing office at Tokyo. Mr. Takedagawa holds the directorship and membership of the Committee(s) of the Board of the following companies:

No.	Name of Company	Nature of Office
1	Hero Honda Siel Cars India Limited	President & CEO
2	Honda Siel Power Products Limited	Director Member-Audit Committee
3	Hero Honda Motors Limited	Director

MR. TAKASHI NAGAI Mr. Takashi Nagai has been appointed as an Additional Director on the Board of the Company w. e. f May 11, 2007. After completing his graduation from Keio University, Japan in the year 1982, he joined Honda Motors Co. , Ltd, Japan. Presently, he is working as Executive Vice President, Asian Honda Motor, Thailand . Mr. Nagai brings with him vast experience in Automobile Industry. Mr. Nagai is on the board of the following companies.

No.	Name of Company	Nature of Office
1	Hero Honda Motors Limited	Director

MR. SATOSHI MATSUZAWA Mr. Satoshi Matsuzawa aged 48 years has been appointed as an Alternate Director to Mr. Takashi Nagai w. e. f. April 24, 2008 . He was born on March 2, 1960 at Tokyo , Japan . After completing his graduation in Science and Engineering from Waseda University , Japan in the year 1982, he joined Honda Motors Co. , Ltd, Japan . Currently, he holds the position of General Manager, Overseas Operations. Mr. Matsuzawa is on the board of the following companies. :

No.	Name of Company	Nature of Office
1	Hero Honda Motors Limited	Director

MR. PRADEEP DINODIA Mr. Pradeep Dinodia was appointed as an Additional Director on the Board of the Company on March 31, 2001 . Mr. Dinodia is a fellow member of The Institute of Chartered Accountants of India and a

senior partner in the Delhi-based Chartered Accountancy firm M/s. S. R. Dinodia & Company. He has considerable experience in corporate affairs and allied legal and taxation matters. Mr. Dinodia holds the directorship and membership of the Committee(s) of the Board of the following companies:

No.	Name of Company	Nature of Office
1	DCM Shriram Consolidated Limited	Director Chairman – Shareholders & Investors Grievance Committee
2	DFM Foods Limited	Member- Audit Committee Member – Committee of Board for payment of Remuneration to Managing Director and Whole-Time Director
3	Hero Corporate Services Limited	Director Chairman – Audit Committee
4	Hero Honda Motors Limited	Director Chairman – Audit Committee
5	Micromatic Grinding Technologies Limited	Director Chairman- Audit Committee Member – Shareholder & Investors Grievance Committee Member -Remuneration Committee
6	Ultima Finvest Limited	Director
7	Shriram Pistons & Rings Limited	Director Chairman – Audit Committee Member – Remuneration Committee
8	RSWM Limited	Director
9	SPR International Auto Exports Limited	Director

GEN. (RETD.) VED PRAKASH MALIK Gen. (Retd.) Ved Prakash Malik was appointed as an Additional Director on the Board of the Company on May 4, 2001 . Gen. Malik retired as Chief of the Indian Army in September, 2000. During his distinguished military career, he received number of awards including the Ati Vishista Seva Medal (AVSM) and the Param Vishishta Seva Medal (PVSM) – the highest National aw