

HONDA

Honda India Power Products Limited

Head Office & Works :
Plot No. 5, Sector-41, (Kasna)
Greater Noida Industrial Development Area,
Distt. Gautam Budh Nagar (U.P.) Pin-201310
Tel. : +91-120-2590 100
Fax : +91-120-2590 350
Website : www.hondaindiapower.com
CIN : L40103DL2004PLC203950
E-mail : ho.mgt@hspp.com

Ref: HIPP/SE/2022-23/41

September 20, 2022

Corporate Relationship department

BSE Limited

Registered Office: Floor 25, PJ Towers,
Dalal Street,
Mumbai — 400 001

Listing Department

The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G— Block,
Bandra Kurla Complex Bandra (E),
Mumbai — 400 051

Sub: Additional information on resolution to be approved by the shareholders at the forthcoming Annual General Meeting of Honda India Power Products Limited

BSE : 522064,

NSE : HONDAPOWER

Dear Sir/Madam,

This is in continuation to Notice of Annual General Meeting submitted with the Exchanges on August 26, 2022 wherein various resolutions are proposed for shareholders' approval at the said meeting to be held on September 26, 2022.

We wish to inform you that with respect to resolution No. 11, the Company in addition to the explanations already provided in the said resolution, elsewhere in the notice, would like to submit further explanation, enclosed as **Annexure**.

You are requested to take note of the same.

Thanking you.

Yours truly,
For Honda India Power Products Limited


Sunita Ganjoo
Company Secretary



Encl: as above

Honda India Power Products Limited
(Formerly Honda Siel Power Products Limited)

Regd. Office : 409, DLF Tower B, Jasola Commercial Complex, New Delhi - 110025

Resolution No: 11

Related Party	Nature of Relation	Nature of Transaction	Basis	Proposal FY 2023-24 (Rs lakhs)	Justification
Honda Motor Co.Ltd., Japan	Holding Company	Royalty	6% on sale price (only for HIPP manufactured products) adjusted for other cost as per agreement. Same as last year as per Existing Contract	5,000	-This is being paid for obtaining right to manufacture and sell using intellectual property rights of Honda Motor Co. Ltd, Japan. -This forms part of total cost and is recovered in the selling price. -Without this the company would not be able to utilize Honda Process for manufacture and would not be able to use HONDA Brand for sale of its products which commands premium and acceptability due to HONDA Brand.
		Export Commission	8% on FOB value of Export Sale. Same as last year as per existing Contract	5,900	-This is being paid for utilizing Honda's global sales and distribution channel and is the only selling expense incurred for Export Sales. -This forms part of total cost and is recovered in the selling price. -The Company doesn't have any overseas network on its own and is dependent on already established, cost effective Honda Channel which has evolved over the period of time.
		Technical Guidance Fee	As per Business plan . Pricing as per existing terms, Labour cost of Japanese technicians and actual expenses incurred	500	-This are expenses reimbursed to Honda Motor Co Ltd, Japan for need base support asked by the company and provided by their employees for manufacturing and other process improvement. - It is paid on actual basis.
		Purchase of Raw Material, Components, Consumables	Cost Plus basis. Normal margin being kept	5,500	-This is for purchase of critical and proprietary items and cannot be procured from any other source.
		Purchase of finished goods and spares	Cost Plus basis. Normal margin being kept	3,000	-This is for purchase of Honda CBU's for onward sales in Indian market which due to lower volume cannot be manufactured by us.
		Purchase of Capital goods	Cost Plus basis. Normal margin being kept	100	-These purchase are of service and product manual design by Honda Motor Co Ltd, Japan and is required to be supplied along with the products being sold for domestic as well as export markets as a legal requirements. Since for overseas markets this is to be translated in the local language, the translation and conversion is also included in the cost.
		Reimbursement received and paid including warranty expenses	Actual basis	1,200	-These are reimbursement of actual expenses related to warranty, Expat's salary who works here and deploy their expertise for company's operations efficiently and effectively and other expenses/income.
		Export Sale of finished goods & spares	Pricing/Terms & Conditions are not more favourable than the sales made to unrelated party	2,000	-This is to enhance the company's export sales and enable the company to utilize the production capacity to the maximum
		Model fee	As per Agreement	140	-This is for the support provided by Honda Motor Co. Ltd, Japan for start of mass production for any new model in the company including assessment of market, designing of the product. -New Model Product which will add to our sales