

HONDA

Ref: HIPP/SE/2022-23/39

August 26, 2022

**Corporate Relationship Department
BSE Limited**

Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street, Fort,
Mumbai – 400 001

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

**Listing Department
National Stock Exchange of India Limited**
Exchange Plaza, 5th Floor,
Plot No. C/1, G- Block,
Bandra Kurla Complex Bandra (E),
Mumbai – 400 051

Sub: Compliance with Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,


Pursuant to the Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for the Financial Year 2021-22 along with the Notice of the 37th Annual General Meeting is hereby enclosed.

The Annual Report for the financial year 2021-22 is also available on the website of the Company at www.hondaindiapower.com.

We request you to kindly take the aforementioned information on record.

Thanking you.

Yours Truly,
For **Honda India Power Products Limited**


Sunita Ganjoo
Company Secretary and Compliance Officer

Encl: as above

HONDA

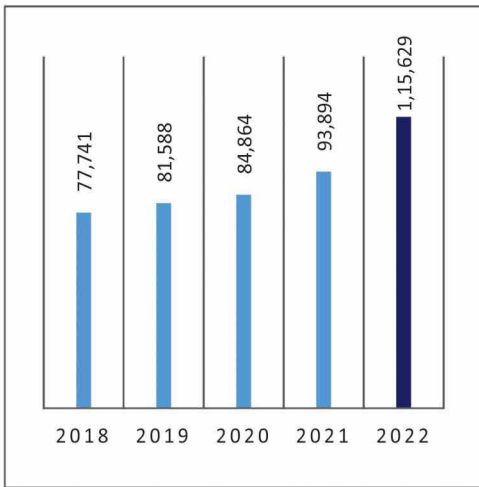
**37th Annual Report
2021-22**

HONDA INDIA POWER PRODUCTS LIMITED

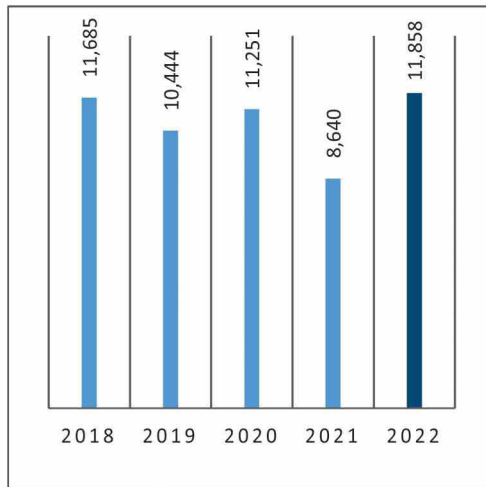
(Formerly Known as Honda Siel Power Products Limited)

Key Financial Trends

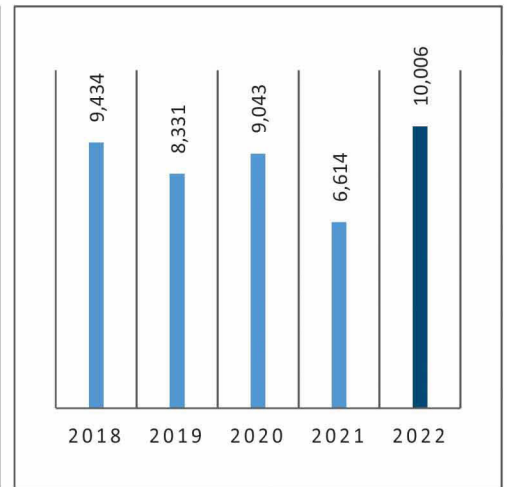
Operating Revenue (₹ lakhs)



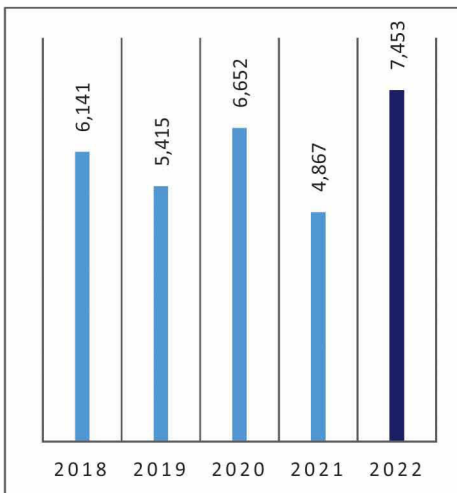
PBDT (₹ lakhs)



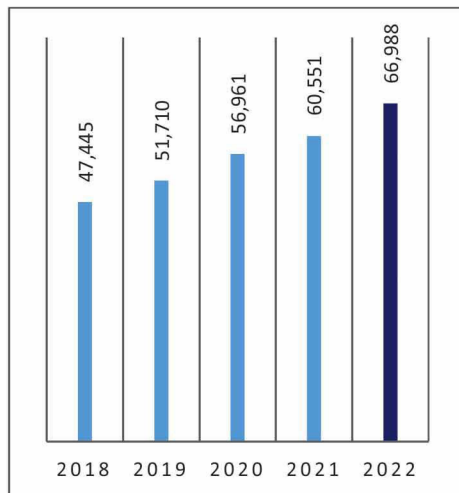
PBT (₹ lakhs)



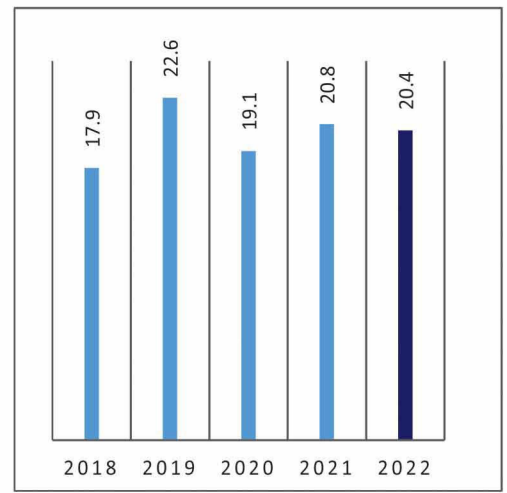
PAT (₹ lakhs)



Networth (₹ lakhs)



Dividend Payout Ratio inclusive DDT (%)



Bringing over 5 million smiles

Since 1985



CORPORATE INFORMATION**Board of Directors****Mr. Takahiro Ueda**

CMD and President & CEO

Mr. Vinay Mittal

Whole Time Director & CFO

Mr. Noboru Sube

Whole Time Director

Mr. Manoj Arora

Independent Director

Ms. Alka Marezban Bharucha

Independent Director

Mr. Ravi Prakash Mehrotra

Independent Director

Company Secretary

Ms. Sunita Ganjoo

Statutory AuditorsM/s Price Waterhouse Chartered Accountants LLP
Building No. 8, 8th Floor, Tower-B,
DLF Cyber City, Gurugram- 122 002**Registered Office**409, Tower B, DLF Commercial Complex,
Jasola, New Delhi- 110 025**Head Office & Works**Plot No. 5, Sector-41 (Kasna),
Greater Noida Industrial Development Area,
Distt. Gautam Budh Nagar, UP- 201 310

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NOTICE

Notice is hereby given that the 37th Annual General Meeting of the Members of the Company will be held on **September 26, 2022** (Monday) at 11:00 A.M. IST through Video Conferencing/ other Audio Visual Means ("VC"/"OAVM"), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2022, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Takahiro Ueda (DIN 08685990), who retires by rotation and being eligible, offers himself for re-appointment.
4. To approve appointment of Statutory Auditors and fixing of their remuneration.

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

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time and in accordance with the recommendation of the Audit Committee and the Board of Directors of the Company, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) be and is hereby appointed as Statutory Auditors of the Company to hold office for a consecutive term of 5 years from the conclusion of the 37th Annual General Meeting of the Company till the conclusion of the 42nd Annual General Meeting to be held in the year 2027, at a remuneration to be determined by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company (including the Audit Committee of the Board), be and is hereby authorised on behalf of the Company, to alter and vary the terms and conditions of remuneration arising out of increase in scope of work.

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

SPECIAL BUSINESS

5. Revision in remuneration of Mr. Vinay Mittal, Whole Time Director (DIN 05242535)

To consider and if thought fit, to pass, with or without modification(s), the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee dated May 28, 2022 and the approval of the Board through its Resolution dated May 28, 2022 and pursuant to the provisions of Section 197, 198 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, read with Schedule V of the Act (including any statutory modification(s) or re-enactment(s) thereof), consent of the members be and is hereby accorded for revising the terms of remuneration of Mr. Vinay Mittal, Whole Time Director (DIN 05242535) of the Company, for the period from 01.04.2022 to 31.03.2023 (both days inclusive) as per the following particulars:

Basic Salary	₹ 7,15,067/- (Rupees Seven Lakh Fifteen Thousand and Sixty Seven only) per month.
Perquisites	
Housing Allowance	₹ 3,57,534/- (Rupees Three Lakh Fifty Seven Thousand Five Hundred and Thirty Four only) per month.
Special Allowance	₹ 1,22,936/- (Rupees One Lakh Twenty Two Thousand Nine Hundred and Thirty Six only) per month.
Child Education	₹ 200/- (Rupees Two Hundred only) per month.
Washing Allowance	₹ 2,000/- (Rupees Two Thousand only) per month.
Leave Travel Concession	₹ 89,383/- (Rupees Eighty Nine Thousand Three Hundred and Eighty Three only) per month.
Variable Pay	Not exceeding ₹ 14,57,676 (Rupees Fourteen Lakh Fifty Seven Thousand Six Hundred and Seventy Six only).

RESOLVED FURTHER THAT Personal Accident Insurance, Medical Insurance, Car (including Driver, Maintenance and Fuel), Telephone, Provident Fund, Superannuation Fund, Gratuity, Leave Encashment shall be as per Company policy.

RESOLVED FURTHER THAT the reimbursement of leave travel concession and other perquisites, benefits, leave accrued to Mr. Vinay Mittal till 31.03.2022, not availed of by him, be and are hereby approved to be carried forward.

RESOLVED FURTHER THAT the remuneration as aforesaid, shall be paid as minimum remuneration in the event of absence or inadequacy of profits during the financial year ending on March 31, 2023.

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

6. Ratification of payment of remuneration to the Cost Auditors

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

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s Rakesh Singh & Co., Cost Accountants, appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2022-23, amounting to ₹ 1,26,000/- (Rupees One Lakh Twenty Six Thousand only) (plus applicable Taxes and reimbursement of out-of-pocket expenses incurred by them for carrying out the audit), be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

7. Approval/ratification of Related Party Transactions with Honda Motor Co. Ltd., Japan for the financial year 2021-22.

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (Listing Regulations) and other applicable provisions, if any, of the Listing Regulations, Companies Act, 2013 and Rules made thereunder, including statutory modification(s) or re-enactment(s) thereof for the time being in force and as may be notified from time to time, the Members hereby approve/ratify the additional value of the material related party transactions, in excess of the already approved limits, done in the ordinary course of business and at arm’s length basis during the financial year 2021-22, as detailed in the table below:

(₹ In Lakh)

Related Party	Nature of Relation	Nature of Transaction	Basis	Actual	Approved from Shareholder	For Ratification from Shareholder	Remarks
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Honda Motor Co. Ltd., Japan	Holding Company	Reimbursement received and paid including warranty expenses	Actual basis	1,237	1,000	237	Expenses incurred for new Business development activities reimbursed by Honda Motor Co. Ltd., Japan

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. Approval/ratification of Related Party Transactions with Asian Honda Motor Co. Ltd., Thailand for the financial year 2021-22.

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (Listing Regulations) and other applicable provisions, if any, of the Listing Regulations, Companies Act, 2013 and Rules made thereunder, including statutory modification(s) or re-enactment thereof for the time being in force and as may be notified from time to time, the Members hereby approve/ratify the additional value of the material related party transactions, in excess of the already approved limits, done in the ordinary course of business and at arm’s length basis during the financial year 2021-22, as detailed in the table below:

(₹ In Lakh)

Related Party	Nature of Relation	Nature of Transaction	Basis	Actual	Approved from Shareholder	For Ratification from Shareholder	Remarks
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Asian Honda Motor Co. Ltd., Thailand*	Fellow Subsidiary	Purchase of finished goods	Cost Plus basis. Normal margin being kept	6,470	4,500	1,970	Due to higher domestic sales. However, actual transactions value is below 10% of the turnover

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

9. Approval/ratification of Related Party Transactions with Honda Motor Co. Ltd., for the financial year 2022-23.

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (Listing Regulations) and other applicable provisions, if any, of the Listing Regulations, Companies Act, 2013 and Rules made thereunder, including statutory modification(s) or re-enactment(s) thereof, for the time being in force and as may be notified from time to time, consent of the Members of the Company be and is hereby accorded to the addition in the value of already approved Related Party Transactions for the Financial Year 2022-23, which are in the ordinary course of business and at arm’s length basis, up to such extent and on such terms and conditions as specified in the table below:

(₹ In Lakh)

Related Party	Nature of Relation	Nature of Transaction	Basis	Revised Amount for Shareholder's approval	Approved from Shareholder (Last Year)	Excess amount to be utilised after obtaining shareholder's approval	% of Previous year Turnover
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Honda Motor Co. Ltd., Japan	Holding Company	Royalty	6% on sale price adjusted for other cost as per agreement. Same as last year as per Existing Contract	4,700	4,500	200	4%
		Export Commission	8% on FOB value of Export Sale. Same as last year as per existing Contract	5,600	5,100	500	5%
		Technical Guidance Fee	As per Business plan . Pricing as per existing terms, Labour cost of Japanese technicians and actual expenses incurred	500	400	100	0%
		Purchase of finished goods and spares	Cost Plus basis. Normal margin being kept	3,000	2,400	600	3%

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

10. Approval/ratification of Related Party Transactions with American Honda Motor Co. Inc. for the financial year 2022-23.

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

“**RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements), 2015 (Listing Regulations) and other applicable provisions, if any, of the Listing Regulations, Companies Act, 2013 and Rules made thereunder, including statutory modification(s) or re-enactment(s) thereof for the time being in force and as may be notified from time to time, consent of the Members of the Company be and is hereby accorded to the addition in the value of already approved Related Party Transactions for the Financial Year 2022-23, which are in the ordinary course of business and at arm's length basis, up to such extent and on such terms and conditions as specified in the table below:

(₹ In Lakh)

Related Party	Nature of Relation	Nature of Transaction	Basis	Revised Amount for Shareholder's approval	Approved from Shareholder (Last Year)	Excess amount to be utilised after obtaining shareholder's approval	% of Previous year Turnover
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
American Honda Motor Co. Inc., America	Fellow Subsidiary	Export Sale of finished goods & spares	Pricing/Terms & Conditions are not more favourable than the sales made to unrelated party	57,000	52,000	5,000	49%
		Purchase of finished goods and spares	Cost Plus basis Normal margin being kept	50	20	30	0%

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

11. Approval of Related Party Transactions with Honda Motor Co.Ltd. for the financial year 2023-24.

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

“**RESOLVED THAT** pursuant to provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or amendments(s) or re-enactment(s) thereof, for the time being in force), approval of the Members be and is hereby accorded to the Material Related Party transactions to be entered in the ordinary course of business and at arm's length basis with the Related Parties during the period from April 01, 2023 to March 31, 2024 as per the details below:

(₹ In Lakh)

Related Party	Nature of Relation	Nature of Transaction	Basis	Proposal FY 2023-24
(a)	(b)	(c)	(d)	(e)
Honda Motor Co. Ltd., Japan	Holding Company	Royalty	6% on sale price adjusted for other cost as per agreement. Same as last year as per Existing Contract	5,000
		Export Commission	8% on FOB value of Export Sale. Same as last year as per existing Contract	5,900
		Technical Guidance Fee	As per Business plan . Pricing as per existing terms, Labour cost of Japanese technicians and actual expenses incurred	500
		Purchase of Raw Material, Components, Consumables	Cost Plus basis. Normal margin being kept	5,500
		Purchase of finished goods and spares	Cost Plus basis. Normal margin being kept	3,000
		Purchase of Capital goods	Cost Plus basis. Normal margin being kept	100
		Reimbursement received and paid including warranty expenses	Actual basis	1,200
		Export Sale of finished goods & spares	Pricing/Terms & Conditions are not more favourable than the sales made to unrelated party	2,000
		Model fee	As per Agreement	140

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

12. Approval of Related Party Transactions with American Honda Motor Co. Inc for the financial year 2023-24.

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

“**RESOLVED THAT** pursuant to provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or amendments(s) or re-enactments(s) thereof, for the time being in force), approval of the Members be and is hereby accorded to the Material Related Party transactions to be entered in the ordinary course of business and at arm’s length basis with the Related Parties during the period from April 01, 2023 to March 31, 2024 as per the details below:

(₹ In Lakh)

Related Party	Nature of Relation	Nature of Transaction	Basis	Proposal FY 2023-24
(a)	(b)	(c)	(d)	(e)
American Honda Motor Co. Inc., America	Fellow Subsidiary	Export Sale of finished goods & spares	Pricing/Terms & Conditions are not more favourable than the sales made to unrelated party	60,000
		Purchase of finished goods and spares	Cost Plus basis. Normal margin being kept	45
		Reimbursement received and paid including warranty expenses	Actual basis	250

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

By order of the Board
For Honda India Power Products Limited,
Sd/-
Sunita Ganjoo
Company Secretary
Membership No. : 33198

Place : New Delhi
Date : May 28, 2022

Regd. Office:
409, Tower B, DLF Commercial Complex,
Jasola, New Delhi- 110 025

NOTES

1. None of the Directors, Key Managerial Personnel or their relatives have any concern, financial or otherwise and does not have any conflict of interest in Item No. 4 to Item No. 12 except as expressed under the respective items in the Explanatory Statement.
2. The Explanatory Statement setting out the material facts pursuant to appointment of Statutory Auditors and Section 102 of the Companies Act, 2013, ('the Act') concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.
3. The Ministry of Corporate Affairs ("MCA") has vide its General Circular 02/2022 dated May 05, 2022 extended permission for holding the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. Accordingly, the AGM of the Company is being held through VC / OAVM in compliance with the aforementioned Circular.
4. Information regarding variation/ revision in the remuneration of Director(s) and the Directors seeking appointment/ re-appointment at the forthcoming Annual General Meeting, requiring disclosure in terms of the Secretarial Standard-2, and the SEBI Listing Regulations are annexed hereto.
5. Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to cs.saryumunjal@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com.
7. The Register of Members and Share Transfer Books of the Company will remain closed from September 20, 2022 to September 26, 2022 (both days inclusive). The 'Record Date' for determining entitlement of Members to dividend for the Financial Year ended March 31, 2022, if approved at the AGM, has been fixed as Tuesday, September 20, 2022.
8. If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend, subject to deduction of tax at source, will be made on Friday, October 21, 2022 as under:
 - i. To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on September 19, 2022.
 - ii. To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on September 19, 2022.
9. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). **The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority.** In view

of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

The Company has already transferred unclaimed dividends upto financial year 1994-95 to the General Revenue Account of the Central Government and for the financial years 1995-96 to 2013-14 to IEPF. Following are the details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to IEPF:

Dividend year	Date of Declaration	Due date for transfer to IEPF
2014-15	12.08.2015	11.09.2022
2015-16	11.08.2016	10.09.2023
2016-17	04.08.2017	03.09.2024
2017-18	13.08.2018	12.09.2025
2018-19	07.08.2019	06.09.2026
2019-20	21.09.2020	20.10.2027
2020-21	21.09.2021	20.10.2028

The Company on May 30, 2022 had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and a newspaper advertisement in this regard was also published.

The details of the Shareholders as mentioned above, are also available on the website of the Company, along with the newspaper advertisement.

Members may note that, the Company shall not be in a position to entertain the claims of the Shareholders for the unclaimed dividends, which have been transferred to IEPF. Accordingly, the Shareholders are advised to send all the uncashed dividend warrants from 2014-15 to 2020-21 to our Share Transfer Agent for issuing demand drafts in lieu thereof and en-cash them before the due dates for transfer to IEPF.

10. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent, M/s Mas Services Ltd. for assistance in this regard.
11. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company's Registrar and Transfer Agent, M/s Mas Services Ltd. in case the shares are held by them in physical form.
12. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrar and Transfer Agent, M/s Mas Services Ltd. in case the shares are held by them in physical form.
13. In case of joint holders attending the Meeting, only one of such joint holders who is higher in the order of names will be entitled to vote.

14. Members may note that the Notice of the 37th Annual General Meeting and the Annual Report for the Financial Year 2021-22 will also be available on the Company's website www.hondaindiapower.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL at www.evotingindia.com.

15. Pursuant to Finance Act 2020, dividend income is taxable in the hands of Shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to the Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their PAN with the Company/ Company's RTA (in case of shares held in physical mode) and DPs (in case of shares held in demat mode).

A Resident individual Shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source, by email to investor@masserv.com by 11:59 p.m. IST on September 19, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e., No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits, by sending an email to investor@masserv.com. The aforesaid declarations and documents need to be submitted by the Shareholders by 11:59 p.m. IST on September 19, 2022.

16. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

17. Documents referred to in the accompanying Notice are open for inspection on the website and at the Registered Office of the Company during normal business hours (9:00 AM to 5:00 PM) on any working day, except Saturday, upto the date of AGM of the Company.

18. The Board of Directors of the Company has appointed Ms. Saryu Munjal, Proprietor of, M/s Saryu Munjal & Associates, Practicing Company Secretaries as Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for the said purpose.

19. Instructions for joining the AGM, remote e-voting and e-voting during the Meeting are as follows:

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM, through the e-voting services provided by CDSL, on all the Resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- ii. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure

mentioned herein below. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 Members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- iii. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
- iv. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- v. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- vi. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vii. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date i.e. September 20, 2022, may obtain the login ID and password by sending a request at investor@masserv.com or ho.legal@hspp.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

viii. THE DETAILS OF THE PROCESS AND MANNER FOR REMOTE E-VOTING AND JOINING THE AGM VIRTUALLY ARE AS UNDER:

- (i) Please note the e-voting period **will commences from Friday, September 23, 2022 (9:00 A.M. IST) and shall end on Sunday, September 25, 2022 (5:00 P.M. IST).**

During this period Shareholders of the Company, holding equity shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 20, 2022, may cast their vote electronically. The remote e-voting module will be disabled by CDSL for voting thereafter. Once the vote on a Resolution is cast by the Member, he/she will not be allowed to change it subsequently.

STEP 1: Access through Depositories (CDSL/NSDL) in case of individual shareholders, holding shares in demat mode

- (ii) Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by the Company, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility.

Login method for Individual Shareholders holding securities in Demat mode is explained herein below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL's Easi / Easiest facility, can login through their existing User ID and Password. Option will be made available to reach e-voting page without any further authentication. The URLs for users to login to Easi / Easiest are web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful Login, the Easi / Easiest User will be able to see the e-voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-voting service provider i.e. CDSL. Additionally, we are providing links to e-voting Service Providers, so that the User can visit the e-voting service providers' site directly.</p> <p>3) If the User is not registered for Easi/ Easiest, option to register is available at web.cdslindia.com/myeasi/Registration/EasiRegistration.</p> <p>4) Alternatively, the User can directly access e-voting page on www.cdslindia.com by providing Demat Account Number and PAN No. on home page. The system will authenticate the User by sending OTP on their registered Mobile & Email as recorded in the Demat Account. After successful authentication, User will be provided links for the respective ESP where the e-voting is in progress during or before the AGM.</p>
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: eservices.nsd.com either on a Personal Computer or on a Mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on Company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual AGM & voting during the Meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at eservices.nsd.com. Select "Register Online for IDeAS" "Portal" or click at eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp.</p>

	<p>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: www.evoting.nsd.com/ either on a Personal Computer or on a Mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on Company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual AGM & voting during the Meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on Company's name or e-voting service provider name and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period or joining virtual AGM & voting during the Meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

All grievances of Individual Shareholders holding securities in demat mode connected with any technical issues related to login through Depository i.e. CDSL and NSDL may be addressed at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43 (for CDSL) and evoting@nsdl.co.in or contact at toll free no. 1800 1020 990 / 1800 22 44 30 (for NSDL).

STEP 2: Access through depositories (CDSL/NSDL) in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode

Login method for shareholders other than individual shareholders & physical shareholders is as under:

- (iii) The Shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on "Shareholders" module.
- (v) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

- c. Shareholders holding shares in Physical form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form other than individual and Physical Form	
PAN	<ul style="list-style-type: none"> Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to send an e-mail to RTA at investor@masserv.com to obtain a sequence number for such login.
Dividend Bank Details OR Date of Birth (DOB)	<ul style="list-style-type: none"> Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for Resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Shareholders holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (xii) Click on the EVSN for the Honda India Power Products Limited on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

- (xv) After selecting the Resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- (xviii) If a demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) There is also an optional provision to upload Board Resolution/ Power of Attorney, if uploaded, will be available to scrutinizer for verification.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

- For Physical Shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self- attested scanned copy of PAN card), AADHAR (self- attested scanned copy of Aadhar Card) by email to the Company/RTA.
- For Demat Shareholders – please update your e-mail ID and mobile no. with your respective Depository Participant (DP).
- For Individual Demat Shareholders – please update your e-mail ID and mobile no. with your respective Depository Participant (DP), which is mandatory while e-voting and joining virtual meetings through Depository.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

- The procedure for attending meeting and e-voting on the day of the AGM/ EGM is same as the instructions mentioned above for e-voting.
- The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
- Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending

their request in advance at least 10 days prior to Meeting, mentioning their name, demat account number/folio number, email id, mobile number at ho.legal@hspp.com. The Shareholders who do not wish to speak during the AGM but have queries may send their queries 10 days prior to Meeting mentioning their name, demat account number/folio number, email id, mobile number at ho.legal@hspp.com. These queries will be replied to by the Company suitably by email.

6. Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER: -

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. The link for VC/OAVM to attend AGM will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for remote e-voting.
3. Only those Shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
4. If any votes are cast by the Shareholders through the e-voting available during the AGM and if the same Shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such Shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the Shareholders attending the meeting.
5. Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Facility for Non – Individual Shareholders and Custodians

- Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote.
- The list of accounts linked in the login will be mapped automatically and can be delinked in case of any wrong mapping.
- It is mandatory to upload a scanned copy of the Board Resolution and Power of Attorney (POA)

which they have issued in favour of the Custodian, in PDF format in the system for the scrutinizer to verify the same.

- Alternatively non-individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cs.sarymunjal@gmail.com and ho.legal@hspp.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call 1800225533.

20. All investor related communication may be addressed to the Registrar and Share Transfer Agent of the Company, M/s Mas Services Limited (RTA), Unit: Honda India Power Products Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi-110 020 Ph:- 011 26387281/82/83, Fax:- 011 26387384 email:- investor@masserv.com, Website: www.masserv.com
21. In terms of Section 72 of the Companies Act, 2013 Members of the Company may nominate a person to whom the shares held by them shall vest in the event of death of a Member. In case you wish to avail the nomination facility in respect of shares held by you, please write to the RTA. In the case of joint holders all the holders thereof shall sign the request.
22. Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with share certificates so as to enable the Company to consolidate their holding into one folio.

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, and submit the same to the Chairman or a person authorized by him in writing, who shall countersign the report within the prescribed time.
2. The result declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.hondaindiapower.com and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)

Statement of the Material facts pertaining to item No. 4 of the Notice relating to appointment of Statutory Auditors :

The members of the Company at 32nd Annual General Meeting (AGM) held on August 04, 2017, had appointed Price Waterhouse Chartered Accountants LLP (ICAI Firm Registration No. 012754N/N500016), Chartered Accountants (PWC), as the Statutory Auditors of the Company to hold office from the conclusion of 32nd AGM until the conclusion of the 37th AGM of the Company. Accordingly, PWC's present term as Statutory Auditors of the Company shall complete at 37th AGM.

Since, PWC will be completing their present term of 5 years at the conclusion of the 37th AGM, the Board of Directors at their meeting held on May 28, 2022 considered the appointment/re-appointment of the Auditors and have unanimously recommended to appoint M/s. B S R & Co. LLP (ICAI Firm Registration No. 101248W/W-100022) (hereinafter referred to as "B S R") as Statutory Auditors of the Company to hold office for a consecutive term of 5 years from the conclusion of the 37th AGM till the conclusion of the 42nd AGM of the Company.

B S R, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act. They have further confirmed that, they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The details required to be disclosed under provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

a) Proposed fees payable to the statutory auditor(s): The Board of Directors of the Company, on recommendation of the Audit Committee, and subject to approval of the members of the Company at the AGM, have approved to pay a fee of ₹49.50 Lakh plus applicable taxes and re-imbursalment of the out of pocket expenses, as may be incurred by the Auditors during the course of Audit/ Limited Review for the financial year ending March 31, 2023.

The Board of Directors of the Company (including the Audit Committee of the Board or any Director/officer of the Company authorised by the Board) are authorised to alter and vary the terms and conditions of remuneration of the Statutory Auditors arising out of increase in scope of work, amendments to Accounting Standards or Listing Regulations and such other requirements resulting in the change/expansion in scope of work, etc. There is no material change in the fees payable to B S R from that paid to PWC for the financial year 2021-22 (being the retiring Auditor).

b) Terms of appointment: The appointment of the Statutory Auditors shall be from the conclusion of 37th AGM up to conclusion of 42nd AGM. The Letter of Engagement specifying the detailed terms of appointment shall specifically include the conditions as mentioned in para 6(A) and 6(B) of the SEBI circular dated October 18, 2019 bearing reference no. CIR/CFD/CMD1/114/2019 and such other conditions as may be specified by applicable law in force.

c) Details in relation to and credentials of the Statutory Auditors proposed to be appointed:

B S R was constituted on 27th March, 1990 as a partnership firm having firm registration no. 101248W. It was converted into limited liability partnership i.e., B S R & Co. LLP on 14th October, 2013 thereby having a new firm registration no. 101248W/W-100022. The registered office of the firm is

at 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Centre, Western Express Highway, Goregaon (East), Mumbai- 400063. B S R is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. B S R is registered in Mumbai, Gurgaon, Bangalore, Kolkata, Hyderabad, Pune, Chennai, Chandigarh, Ahmedabad, Vadodara, Noida, Jaipur and Kochi. B S R has over 3000 staff and 100+ Partners. BRS audits various companies listed on stock exchange in India.

d) Basis of recommendation for appointment:

B S R has access to the international knowledge and methodology. The Board of Directors and Audit Committee, at their meeting held on May 28, 2022 considered appointment of B S R and approved and recommended the same unanimously for consideration of the Members. While considering the appointment, the Board and the Audit Committee have taken into account the qualification and experience of the Auditors and were of the opinion that the qualification and experience of B S R is commensurate with the size and requirements of the Company, and accordingly have recommended their appointment to the Members of the Company.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in this item. The Board recommends the Ordinary Resolution as set out in Item No. 4 of the Notice for approval of the Members.

The following statements sets out all material facts relating to the special Business mentioned in the Notice:

ITEM NO. 5

Pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors at their meetings held on February 10, 2022, the appointment and remuneration of Mr. Vinay Mittal as the Whole Time Director of the Company for a period of 5 years with effect from April 01, 2022, was approved by the Members through Postal Ballot on April 30, 2022.

The Board of Directors, based on the performance evaluation, professional background, experience and over all engagement of Mr. Mittal with the Company and in line with the Remuneration Policy of the Company, reviewed the remuneration being paid to Mr. Vinay Mittal and approved revision in the same with effect from 01.04.2022 to 31.03.2023 (both days inclusive) as per the details in the resolution No. 5 of the Notice, subject to the approval of the Members of the Company. The reimbursement of leave travel concession and other perquisites, benefits, leave accrued to him till 31.03.2022, not availed of by him, have also been approved to be carried forward.

Brief profile of Mr. Vinay Mittal in terms of Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India and the details of his last remuneration drawn have been provided in **Annexure-1** to this Notice.

Mr. Mittal is not related to any other Director and Key Managerial Personnel of the Company.

Except Mr. Vinay Mittal, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned Resolution.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

ITEM NO. 6

Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant in Practice. On the recommendation of the Audit Committee, the Board of Directors appointed M/s. Rakesh Singh & Co., as the Cost Auditor of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2022-23, at a remuneration of ₹1,26,000/- (Rupees One Lakh Twenty Six Thousand only) (plus applicable Taxes and reimbursement of out-of-pocket expenses incurred by them for carrying out the audit). The remuneration to the Cost Auditor requires your ratification and confirmation. The Board recommends the Resolution set out at Item No. 6 of the accompanying Notice for ratification.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise and does not have any conflict of interest in the Resolution.

ITEM NO. 7 & 8

In view of compliance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, transactions with Honda Motor Co. Ltd., Japan (HM), and Asian Honda Motor Co. Ltd., Thailand (ASH) related parties, for the period from April 01, 2021 to March 31, 2022 were approved by the Members at the Extra Ordinary General Meeting of the Company held on November 10, 2021. However, the Company, after obtaining the said approval from shareholders had to incur certain unforeseen expenses for exploring the possibility of new business/ expansion of existing business in India which were later reimbursed to the Company by HM. Further, due to higher domestic sales, value of transactions with ASH exceeded the approved limits. Thus, no prior approval from shareholders was taken for these particular transactions. In view of the above, approval and ratification by the Members is sought by way of an Ordinary Resolution for the revised related party transactions.

The Audit committee and the Board of Directors of the Company have re-considered and approved the proposed transactions, alongwith the limits thereof.

All the entities falling under the definition of related parties shall abstain from voting on the Resolutions.

None of the Directors or any of the Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise and does not have any conflict of interest in the Resolution.

However, Mr. Takahiro Ueda, Mr. Noboru Sube and Mr. Vinay Mittal may deemed to be concerned in their capacity as nominees of Honda Motor Co. Ltd., Japan.

The Board recommends the Ordinary Resolution set out at Item No. 7 and 8 of the Notice for approval by the Members.

ITEM NO. 9 & 10

In compliance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, transactions with related parties, for the period from April 01, 2022 to March 31, 2023 were approved by the Members at the Extra Ordinary General Meeting (EGM) of the Company held on November 10, 2021. Envisaging that these transactions might undergo a change, the Company seeks approval by way of an Ordinary Resolution for the addition to the value of the transaction approved by the Members in the aforementioned EGM, which will contribute to growth and is in the best interest of the Company. Further, the additional amount of transaction shall be utilized only after

getting shareholders' approval in this regard.

The Company, as a good governance, sought an independent analysis from M/s Ernst & Young LLP (EY) as to the arm's length basis of the transactions to be entered into by the Company with the related parties. EY in its report has opined that all the transactions to be carried out with related parties are on arm's length basis.

All the Transactions, as stated in Resolution Nos. 9 to 10 above, are at arm's length basis and in the ordinary course of business and prior approval of the Audit Committee and subsequent approval by the Board is obtained, wherever required.

All entities falling under the definition of related parties shall abstain from voting on the Resolution.

None of the Directors or any of the Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise and does not have any conflict of interest in the Resolution.

However, Mr. Takahiro Ueda, Mr. Noboru Sube and Mr. Vinay Mittal may deemed to be concerned in their capacity as nominees of Honda Motor Co. Ltd., Japan.

The Board recommends the Ordinary Resolution set out at Item No. 9 and 10 of the Notice for approval by the Members.

ITEM NO. 11 & 12

In compliance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, transactions with related parties, for the period from April 01, 2023 to March 31, 2024 are likely to exceed the materiality threshold as prescribed under LODR. Thus, in terms of the provisions of Listing Regulations these transactions would require the approval of the Members by way of an Ordinary Resolution.

All the Transactions, as stated in Resolution Nos. 11 to 12 above, are at arm's length basis and in the ordinary course of business and prior approval of the Audit Committee and subsequent approval by the Board is obtained, wherever required.

All entities falling under the definition of related parties shall abstain from voting on the Resolution.

None of the Directors or any of the Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise and does not have any conflict of interest in the Resolution.

However, Mr. Takahiro Ueda, Mr. Noboru Sube and Mr. Vinay Mittal may deemed to be concerned in their capacity as nominees of Honda Motor Co. Ltd., Japan.

The Board recommends the Ordinary Resolution set out at Item No. 11 and 12 of the Notice for approval by the Members.

**By order of the Board
For Honda India Power Products Limited,**

Sd/-

Sunita Ganjoo

**Company Secretary
Membership No. : 33198**

**Place : New Delhi
Date : May 28, 2022**

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

Information regarding variation in the terms of remuneration of Directors and the Directors seeking appointment /re-appointment at the forthcoming Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with provisions of Companies Act, 2013 and Secretarial Standard- 2, as on the date of Notice.

Name of the Director	Mr. Vinay Mittal	Mr. Takahiro Ueda					
DIN	05242535	08685990					
Age/Years	55	53					
Date of appointment/ Date of re-appointment	<table border="1"> <tr> <td>Appointment</td> <td>01.04.2012</td> </tr> <tr> <td rowspan="2">Re-appointment</td> <td>01.04.2017</td> </tr> <tr> <td>01.04.2022</td> </tr> </table>	Appointment	01.04.2012	Re-appointment	01.04.2017	01.04.2022	01.02.2020
Appointment	01.04.2012						
Re-appointment	01.04.2017						
	01.04.2022						
Expertise in specific functional Areas/brief resume	Mr. Mittal has around 31 years of wide and varied experience in the field of Finance & Accounting, Direct & Indirect Tax, Imports, Secretarial and General Management in various industries.	Mr. Ueda has expertise in sales and marketing, sales network building, export business, business planning, and product planning. Besides Power Products Operations, he has experience in Automobile Operations and Motorcycle Operations too.					
Qualifications	<ul style="list-style-type: none"> - Graduate in Commerce from Delhi University - Fellow Member of the ICAI - Alumni of IMD, Switzerland 	Graduate - Economics					
Name of other Indian companies in which Directorship held	Honda Power Pack Energy India Pvt. Ltd.	NIL					
Chairman/ Member of Board Committees in Indian Companies	Honda India Power Products Limited <ul style="list-style-type: none"> - Stakeholders Relationship Committee - Member - Corporate Social Responsibility Committee - Member - Board Committee on Financial Matters- Member - Risk Management Committee - Member 	Honda India Power Products Limited <ul style="list-style-type: none"> - Audit Committee – Member - Stakeholders Relationship Committee-Member - Board Committee on Financial Matters-Chairman - Corporate Social Responsibility Committee-Chairman - Risk Management Committee-Chairman 					
Name of the listed entities from which the Director has resigned in past three years	Not Applicable	Not Applicable					
Shareholding in the Company	NIL	NIL					
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL	NIL					
Remuneration to be paid	Details of remuneration provided in the Resolution No. 5 of Notice.	₹ 21.20 lakh per month					
Remuneration last drawn	₹ 14.19 Lakh per month	₹ 21.14 lakh per month					
No. of Meetings attended during the year	6 Meetings of Board of Directors	6 Meetings of Board of Directors					

BOARD'S REPORT

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company"), along with the Audited Financial Statements, for the Financial Year ended March 31, 2022:

1. Financial Highlights

(₹ in Lakhs)

Particulars	Year Ended	
	March 31, 2022	March 31, 2021
Revenue from Operations	1,15,629	93,894
Other Income	1,684	1,453
Profit before depreciation and exceptional items	11,858	8,640
Depreciation	1,852	2,026
Profit before exceptional items and tax	10,006	6,614
Profit before tax	10,006	6,614
Tax Expenses	2,553	1,747
Profit after Tax	7,453	4,867
Other Comprehensive Income	(2)	(9)
Total Comprehensive Income for the year	7,451	4,858
Balance of profit brought forward	47,054	43,464
Dividend	1,014	1,268
Tax on Dividend	-	-
Balance carried to Reserves	53,491	47,054

The Company has prepared the Financial Statements in accordance with the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 (the "Act").

Results of Operations and the state of Company's affairs

Your Company achieved aggregate revenue from operations of ₹ 1,15,629 Lakh in 2021-22 (as against ₹ 93,894 Lakh in 2020-21). This marks a growth of 23% over the previous year.

The Board has pleasure to inform that the year 2021-22 was a significant year, as your Company achieved accumulated production of 5 million units.

The return of COVID-19 pandemic second wave caused widespread economic and operational challenges and posed volatile and unprecedented external environment conditions. The Company successfully overcame these to register sustained growth.

The Company's preparation in anticipating and preparing internal measures including but not limited to cost control drivers, processes and cost efficiency improvements, significant and dedicated focus on maintaining continuous operations enabled it to successfully overcome such exceptional environment conditions.

A detailed Report on operations titled 'Management Discussion and Analysis Report' is annexed to the Board's Report as **Annexure-A** and forms part hereof.

2. Dividend

Your Directors recommend a dividend of ₹ 15/- per equity share of ₹ 10/- each (150 %) for the year ended 31st March 2022 (previous year 100%). The total outgo on this account will be ₹ 1,521 Lakhs.

3. Transfer of unclaimed dividend to Investor Education and Protection Fund

The Company has been regularly sending communications to members whose dividends are unclaimed, requesting them to provide/update bank details with RTA/Company, so that dividends paid by the Company are credited to the investor's account on time. Efforts are also made by the Company, in co-ordination with the RTA, to locate the shareholders who have not claimed their dues.

In accordance with the provisions of the Section 124(6) of the Companies Act, 2013 and Rule 6(3)(a) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules'), the Company has transferred 4480 equity shares of ₹ 10 each held by 63 shareholders to IEPF. The said shares correspond to the dividend which had remained unclaimed for a period of seven consecutive years from the Financial Year 2013-14.

Subsequent to the transfer, the concerned shareholders can claim the said shares along with the dividend(s) by making an application to IEPF Authority in accordance with the procedure available on www.iepf.gov.in and on submission of such documents as prescribed under the IEPF Rules. On receipt of the application, the Company sends an online verification report to the IEPF Authority after verifying all the necessary details which is duly certified by the Nodal Officer. The Company sends specific advance communication to the concerned shareholders at their address registered with the Company and also publishes notice in newspapers providing the details of the shares due for transfer to enable them to take appropriate action.

No shares are lying with NSDL/CDSL in demat suspense account or unclaimed suspense account as on the date of this Report.

4. Environment Protection and Safety

Your Company strives for protection and preservation of environment wherever it operates directly or indirectly. This includes areas of its operation and operations of its suppliers as well. This is ensured through optimum and efficient utilization of manufacturing processes, products and services the Company provides, by controlling emissions, effluents and waste generation and supporting environmental protection activities by adopting means to conserve energy and recycle/reuse of natural resources. Your Company has been achieving continuous improvement in environmental performance by regularly upgrading the operation standards and environmental management systems, to comply with the applicable legal/ regulatory obligations. From time to time, the Company spreads the awareness and knowledge in all the above areas to its suppliers also.

Your Company under EPR (Extended Producer Responsibility) initiative, engaged with various waste agencies, for end-to-end management of plastic waste.

A statement on environmental protection and safety, conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed as **Annexure-B** and forms part of this Report.

5. Occupational health and safety

Your Company's top priority is to protect human health and ensure a safe working environment for all its employees, including contractual workers. The vision is to improve health and safety standards for the people associated with the Company, at all levels. Efforts are made to nearly extinguish any activity which may adversely affect the health and safety in workplace or adversely impact the life of communities living near our Workplaces. To promote this, the Company has adopted Occupational Safety & Health Management System (OSHMS) and formed a Safety & Health organization in the Company. Awareness of the OSHMS is being created through regular trainings and education to all for adopting safety and health measures at workplace and in their daily lives with the vision "Everyone is precious". This has helped us embed a safety culture throughout the organization with an objective of 'Zero Accident'.

With the second wave of the COVID pandemic emerging, Company immediately initiated several steps across its offices and manufacturing unit to help keep all the associates safe. While

strict hygiene and social distancing SOPs have always been in place, Company ensured measures to curb exposure to the virus by reinforcing COVID appropriate and safe behaviour, besides fully supporting work from home for office staff. The Company also reached to all its employees and facilitated their vaccination as per Government protocols. Besides bearing the vaccination cost, special leaves were also provided to the affected employees.

6. Annual Return

Pursuant to Section 92(3) of the Companies Act, 2013 ('the Act') Annual Return for previous Financial Years and draft Annual Return for the Financial Year 2021-22, to be filed with the Registrar of Companies, Ministry of Corporate Affairs, pursuant to Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is available on website of the Company at www.hondaindiapower.com.

7. Details of Board Meetings

Six Meetings of the Board of Directors were held during the year. The particulars of the meetings held and attended by each Director are detailed in the Corporate Governance Report.

In case of urgent business, resolutions were passed by circulation. Compliance Reports of all laws applicable to the Company were reviewed by the Board at its Meetings.

The Board has been given presentations / briefed on areas covering operations of the Company, business strategy and risk management practices, before approving the Quarterly / Annual Financial Results of the Company. All statutory and other important items/ information were placed before the Board for approval/review.

The agenda and notes thereon were circulated to Directors as per the requirement of relevant laws in the defined agenda format. All material information was incorporated in the agenda for facilitating meaningful and focused discussions at the Meeting. Where it was not practicable to attach any document to the agenda i.e. the document which contains price sensitive information and in respect of which consent of the Board of Directors was obtained for providing the same at a shorter notice of less than 7 days, it was placed before the Meeting with specific reference to this effect in the agenda.

The Company Secretary recorded Minutes of proceedings of each Board and Committee meeting. Draft Minutes were circulated to Board/Board Committee Members for their comments and approval. The Minutes were duly entered in the Minutes Book within 30 days from the conclusion of the Meeting.

8. Committees of the Board

The details of composition of the Committees of the Board i.e. Audit Committee; Stakeholders Relationship Committee; Nomination and Remuneration Committee; Corporate Social Responsibility Committee; Board Committee on Financial Matters; and Risk Management Committee, brief terms of reference thereof and details of Meetings held and attended by the Members during the year are provided in the Corporate Governance Report forming part hereof.

In view of the changes in constitution of the Board of Directors, the Board Committee on Financial Matter and Risk Management Committee were reconstituted on August 10, 2021 and September 14, 2021 respectively.

9. Managing the Risks of Fraud, Corruption and Unethical Business Practices

Your Company has adopted Whistle Blower Policy that provides a formal vigil mechanism for Directors, Employees and other Stakeholders to report genuine concerns about the unethical behaviour, actual or suspected frauds or violation of the Company's Code of Conduct or Ethics Policy. The said mechanism also

provides for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The policy provides for adequate safeguards against victimization and all personnel have access to the Audit Committee. The Whistle Blower Policy has been uploaded on the Company's website, www.hondaindiapower.com/investors/policies. The Policy is in line with the Company's Code of Conduct, Vision and Values and forms part of good Corporate Governance.

10. Risk Management

Your Company maintains a keen eye on the external environment and internal operations to proactively anticipate and mitigate any emerging and imminent risks. We have a robust risk management framework and system that helps us navigate through challenges and emerge stronger every time.

Your company has developed and implemented a Board approved Risk Management Policy that ensures appropriate management of risks which aligns with its internal systems and culture. Moreover, it has a well-defined Risk Management framework that is designed to enable risks identification, assessment, mitigation, monitoring and reporting. The risk management process encompasses a spectrum of strategic, operational, financial and compliance risks that your company is exposed to. Further, it is also embedded across all the major functions of the organization.

With a view to review the adequacy and effectiveness of policies and management procedures and to monitor and assess Business Risks of the Company, to ensure that the key risk areas are well identified and managed, the Company regularly updates the list of all potential and possible risks, considering the environment in which it operates. Further, as an annual practice, the Company during the Financial Year 2021-22 also carried out a risk assessment covering all the functions across the organization. An extensive program of Internal Audits, process review and Management reviews further supports this process.

Risk Management Policy of the Company may be accessed at Company's website at the link www.hondaindiapower.com/investors/policies.

11. Directors' Responsibility Statement

Pursuant to the requirement of Clause (c) of Sub-section (3) of Section 134 of the Companies Act, 2013, your Directors confirm that:

- (a) in the preparation of the annual accounts for the year ended 31.03.2022, the applicable Accounting Standards have been followed and there are no material departures;
- (b) the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and Profit and Loss of the Company as at 31.03.2022;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively; and

(g) the Company has complied with the Secretarial Standard-1 (Meetings of Board of Directors) and Secretarial Standard-2 (General Meeting) issued and amended, from time to time, by the Institute of Company Secretaries of India.

12. Particulars of Loans, Guarantees or Investments made under Section 186 of the Companies Act, 2013

The Company has disclosed information required under Section 186 of the Companies Act, 2013, Regulation 34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in Note 5(d) forming part of the financial statements.

13. Auditors

i) Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP were appointed as auditors by the Members at their 32nd Annual General Meeting (AGM) held on August 04, 2017, to hold office till conclusion of the 37th AGM. M/s. Price Waterhouse Chartered Accountants LLP shall complete its term of five consecutive years as Auditors of the Company at the conclusion of this AGM.

The Board of Directors of the Company at its meeting held on May 28, 2022, on the recommendation of the Audit Committee, has considered to recommend the appointment of M/s. B S R & Co. LLP, Chartered Accountants (ICAI Registration No. 101248W/W-100022), as the Statutory Auditors of the Company for a period of 5 (Five) consecutive years from the conclusion of this AGM till the conclusion of the 42nd AGM, subject to the approval of members of the Company at this AGM.

The Audit Committee and the Board of Directors have placed on record their appreciation of the professional services rendered by M/s. Price Waterhouse Chartered Accountants LLP during their association with the Company as its auditors.

The Company has received written consent and a certificate from M/s B S R & Co. LLP that they satisfy the criteria provided under Section 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and Rules framed thereunder.

The requisite resolution for appointment of M/s B S R & Co. LLP as the Statutory Auditors of the Company has been set out in the Notice of ensuing AGM for approval by the Members.

ii) Cost Auditors

As per Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules 2014 M/s Rakesh Singh & Co., Cost Accountants, have been re-appointed as Cost Auditors for the financial year 2022-23 to conduct cost audit of the accounts maintained by the Company under the applicable Cost Audit Rules. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by members of the Company has been set out in the Notice of ensuing AGM. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Act and that they are not disqualified from appointment within the meaning of the said Act.

iii) Secretarial Auditor and Secretarial Audit Report

Pursuant to section 204 of the Act, M/s TVA & Co. LLP, Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2021-22. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached

as **Annexure-C** to this report. There are no qualifications or observations or adverse remarks or disclaimer of the Secretarial Auditors in the Report issued by them for the financial year 2021-22 which call for any explanation from the Board of Directors.

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended, and the Board of Directors appointed M/s. Saryu Munjal & Associates, Company Secretaries as the Secretarial Auditor of the Company for the financial year ending March 31, 2023. The Company has received its written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. The Secretarial Auditor has confirmed that it is not disqualified to be appointed as the Secretarial Auditor of the Company for the year financial year ending March 31, 2023.

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report in terms of Section 143 (12) of the Companies Act, 2013.

14. Related Party Transactions

All related party transactions (RPTs) which were entered into by the Company during the year under review, were on arms' length basis and in the ordinary course of business, hence there is no information to be provided as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014. There were no related party transactions made by the Company which may have potential conflict with the interest of the Company.

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof from time to time, required approvals were obtained from Audit Committee, Board and Shareholders of the Company before entering into any transaction with the Related Party.

The Company, as a good governance, sought an independent analysis from M/s Ernst & Young LLP as to the arm's length basis of the transactions to be entered into with the related parties. M/s Ernst & Young LLP in its report has opined that all the transactions to be carried out with related parties are on arm's length basis.

A statement showing the disclosure of transactions with related parties as required under Indian Accounting Standard 24 (Ind-AS 24) is set out separately in this Annual Report. Disclosures relating to related party transactions on a half-yearly basis are filed with the Stock Exchanges.

The Related Party Transactions Policy as approved by the Board, has been uploaded on the website of the Company at www.hondaindiapower.com/investors/policies. The Company has a process in place to periodically review and monitor Related Party Transactions.

15. Adequacy of Internal Control over Financial Reporting

The Company maintains a robust framework of internal controls that are in accordance with the nature and size of the business. This framework addresses the evolving risk complexities and strengthens our strong corporate culture and good governance. While these controls are aligned with the requirements of the Companies Act, 2013, they are also regularly tested by the auditors for their effectiveness. The framework is a combination of entity level controls and process level controls. All business processes are guided by comprehensive policies, guidelines, and procedures. An extensive process of internal audits and management reviews provides assurance to the Board with respect to adequacy and efficacy of internal controls. The internal audit plan, while being aligned to the business objectives of the Company, is dynamic in nature and is

reviewed and approved by the Audit Committee every year. Internal audit reports are reviewed and approved every quarter. Furthermore, the Audit Committee also monitors Management actions stemming from internal audit reviews.

The Company's Management has evaluated the operative effectiveness of these controls and noted no significant deficiencies or material weaknesses that might impact the financial statements as of March 31, 2022.

16. Corporate Social Responsibility initiatives

Your Company believes that Corporate Social Responsibility is an integral part of its duty towards the society at large. It seeks to operate its business in a sustainable manner which would benefit the Society at large in alignment with the interest of its stakeholders.

As per the requirements of Section 135 of the Companies Act, 2013 pertaining to Corporate Social Responsibility ("CSR") your Company has duly constituted a Corporate Social Responsibility Committee ("CSR Committee").

The Company carries out its CSR initiatives through Honda India Foundation. The Foundation is responsible for driving the Corporate Social Responsibility agenda and oversees a host of flagship programs and initiatives. Its long-term, sustainable programs are ensuring lasting positive impact on people and the planet.

Total CSR obligation of ₹ 170 lakhs for the financial year 2021-22 was earmarked for the ongoing projects and the unspent amount has been transferred to the separate Bank Account in terms of the provisions of section 135(6) of the Company's Act, 2013.

The Chief Financial Officer had issued a Certificate dated May 28, 2022, certifying that the funds so earmarked by the Company for CSR initiatives, have been transferred to Unspent CSR Account under section 135(6) of the Act and shall be utilized for the mandated CSR purposes in the manner as approved by Board of Directors of the Company. The Annual Report on the CSR initiatives undertaken by the Company as per the Companies (Corporate Social Responsibilities Policy) Rules, 2014 is annexed as Annexure-D.

The CSR Policy may be accessed on the Company's website at the link www.hondaindiapower.com/investors/policies.

17. Criteria for appointment of Directors and remuneration to be paid to Directors and Key Managerial Personnel

The Company has in place, policies on 'Criteria for Appointment of Directors' and 'Remuneration for Directors & KMPs of the Company'.

The policies suggest the Directors to be of high integrity with relevant expertise and experience so as to have a diverse and informed Board. In addition, these Policies further lay down the positive attributes/criteria which the Nomination and Remuneration Committee should take into consideration while recommending the candidature for the appointment as Director on the Board.

These policies may be accessed on the Company's website at the link www.hondaindiapower.com/investors/policies.

18. Declaration of Independence

The Company has received Declarations of Independence as stipulated under Section 149(7) of the Companies Act, 2013 from Independent Directors confirming that he/she is not disqualified from continuing as Independent Director as laid down in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

Pursuant to Clause VII (1) of Schedule IV of the Companies Act, 2013 the Independent Directors met separately on February 10, 2022.

The Board of Directors, based on the declaration(s) received from the Independent Directors, have verified the veracity of such disclosures and confirmed that the Independent Directors fulfil the conditions of independence specified in the Listing Regulations and the Act and are independent of the Management of the Company.

19. Directors and Key Managerial Personnel (KMP)

i) Appointment of Whole Time Director

- a) The Members, in the Extra Ordinary General Meeting held on November 10, 2021 approved appointment of Mr. Noboru Sube as the Whole Time Director of the Company with effect from September 15, 2021 for a Period of five (5) years.
- b) The Members through postal ballot dated April 30, 2022 re-appointed and approved the remuneration of Mr. Vinay Mittal as the Whole Time Director of the Company with effect from April 01, 2022 for a Period of five (5) years.

ii) Revision in remuneration of Whole Time Director

Based on the performance evaluation, professional background, experience and over all engagement of Mr. Vinay Mittal with the Company and in line with the Remuneration Policy of the Company, the Board of Directors in its Meeting held on May 28, 2022, on the recommendation of Nomination and Remuneration Committee, approved revision in remuneration of Mr. Vinay Mittal, Whole Time Director of the Company, from 01.04.2022 to 31.03.2023 (both days inclusive), as per the details provided in the Notice convening the Annual General Meeting.

iii) Retirement by rotation and subsequent re-appointment

In accordance with the provisions of Section 152 and other applicable provisions, if any, of the Act, Mr. Takahiro Ueda (DIN 08685990), CMD and President & CEO of the Company, is liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment.

20. Board/Directors' Evaluation

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees on the evaluation criteria defined by the Nomination and Remuneration Committee (NRC) for performance evaluation process of the Board, its Committees and Directors, including Independent Directors.

The evaluation of Board's functioning was done on various aspects like structure of the Board, meetings of the Board, functions of the Board, degree of fulfilment of key responsibilities, establishment and delegation of responsibilities to its various Committees, effectiveness of Board functioning. The Committees of the Board were assessed on the scale of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of Meetings thereof. The Directors were evaluated on aspects such as attendance, contribution at Board/Committee Meetings and guidance/support to the Management.

The performance evaluation of Independent Directors was done by the entire Board of Directors excluding Independent Director being evaluated. The Board opines that all the Independent Directors of the Company strictly adhere to corporate integrity, possesses requisite expertise, experience and qualifications to discharge the assigned

duties and responsibilities, as mandated by Companies Act, 2013 and Listing Regulations, diligently. The Board further assessed the performance of Non Independent Directors and found the same satisfactory.

The performance assessment of Non-Independent Directors, Board as a whole and the Chairman were also evaluated in a separate meeting of Independent Directors.

The review concluded by affirming that the Board as a whole, the Committees of the Board as well as all of its Members, individually, continued to make efforts and provide advice towards good governance, ensuring a constant improvement of processes and procedures. It was further acknowledged that every individual Member of the Board and the Committees thereof, contribute towards overall growth of the organization and strengthening its processes.

21. Directors and Officers Insurance ('D&O')

As per the requirement of Regulation 25(10) of the Listing Regulations, the Company has taken insurance for all its Directors and members of the Senior Management.

22. Familiarization programme imparted to Independent Directors

The Directors are familiarized with your Company's Business and its operations. Regular interactions are held between the Directors and Senior Management of your Company to enable them to have a better understanding of the Company and its various operations. All the Independent Directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

Senior management personnel of the Company in each Board Meeting make presentations to the Board Members, briefing them on the operations of the Company, plans, strategy, risks involved, new initiatives, regulatory changes etc., and seek their opinions and suggestions on the same. In addition, the Directors are briefed on their specific responsibilities and duties that may arise from time to time.

23. Board diversity

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical backgrounds, age, ethnicity, race and gender, that will help us retain our competitive advantage.

24. Explanations or comments on qualifications, reservations or adverse remarks or disclaimers made by the Auditors in their reports.

The Report of the Auditors on the Financial Statements of the Company is part of the Annual Report. The report is not qualified. There is one matter of emphasis in the audit report.

This matter of emphasis read with Note No. 31(vi) of the Notes to Accounts is self-explanatory and does not need further explanation.

25. Other Disclosures:

During the year under review, there were no transaction requiring disclosure or reporting in respect of matters relating to: (a) details relating to deposits covered under Chapter V of the Act; (b) issue

of equity shares with differential rights as to dividend, voting or otherwise; (c) issue of shares (including sweat equity shares) to employees of the Company under any scheme; (d) raising of funds through preferential allotment or qualified institutions placement; (e) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future; (f) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016; (g) instance of one-time settlement with any bank or financial institution. (h) buy-back of its own securities and (i) issue of bonus shares .

26. Corporate Governance

The Company has a rich legacy of ethical governance practices and is committed to implement sound corporate governance practices with a view to bring about transparency in its operations and maximize stakeholder's value. A Report on Corporate Governance is annexed as **Annexure-E** and forms part of the Board Report.

The Auditor's Certificate certifying the Company's compliance as stipulated under Schedule V of the Listing Regulations, is annexed as **Annexure-I** to the Board Report.

27. Business Responsibility Report

In compliance with the Listing Regulations, we have integrated Business Responsibility Report, is annexed as **Annexure-J** and forms part of this report.

28. Sexual Harassment of Women at Workplace

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('SHWW Act'), your Company has a robust mechanism in place to redress complaints reported under it. An Internal Complaints Committee (ICC) has also been set up to redress complaints received on Sexual Harassment. During the Financial Year 2021-22 no case of Sexual Harassment was reported in the Company.

29. a. 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 with responsibility, integrity, fairness & transparency. The framework sets out a guiding policy for concerned person's conduct in dealing with/ for the Company, fellow Directors and Employees. This Code is available on the Company's website www.hondaindiapower.com/investors/policies. A declaration signed by CMD and 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-G and forms part hereof.

b. Code of Conduct on Insider Trading

The Company has a comprehensive Code of Conduct in compliance with the Listing Regulations on prevention of Insider Trading. The Code lays down guidelines, which advise on procedures to be followed and disclosures to be made, while dealing in shares of the Company and cautions on the consequences of non-compliances.

30. Respecting Human Rights

Aspects of Human Rights such as child labour, forced labour, and non-discrimination are covered by the Code of Conduct, diversity policy and various other applicable policies. The Company promotes respect for Human Rights through these policies and its adaptability in day to day operations.

31. Compliance Management

The Company strives for NO non-compliance. A legal Compliance Management System comprising of early warnings and escalation matrix is being used to track compliances with the applicable Regulations. A Report on compliances with the applicable laws/rules/regulations is submitted to the Board on a quarterly basis for its review.

32. Particulars of Employees

Particulars on Remuneration Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the **Annexure-K**, forming part of this report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said Statement is open for inspection at the Registered Office of the Company, up to the date of the ensuing Annual General Meeting. Any member interested in obtaining a copy of the same may write to the Company Secretary.

33. Material changes and commitments affecting the financial position of the Company after March 31, 2022

There were no material changes and commitments affecting the financial position of the Company after March 31, 2022.

34. Dividend Distribution Policy

Pursuant to Regulation 43A of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2021, the Company has formulated a Dividend Distribution Policy, duly approved by the Board of Directors of the Company and the Policy is available on the Company's website at www.hondaindiapower.com/investors/policies.

Acknowledgements

The Board of Directors wish to place on record its deep sense of appreciation for the committed services by all the employees of the Company. The Board of Directors would also like to express their sincere appreciation for the assistance and co-operation received from the banks, government and regulatory authorities, stock exchanges, customers, vendors, and members during the year under review.

**On behalf of the Board,
for Honda India Power Products Limited,**

**Sd/-
Takahiro Ueda
CMD and President & CEO
DIN 08685990**

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

- The persistent COVID-19 pandemic waves led economic stranglehold on small and medium businesses, especially in wake of activities clampdowns caused considerable shrinkage in portable generators demand. The short window of high spurt in demand instances during natural disasters were very few in financial year 2021-22 thereby limiting its contribution to overall sales. Many corporates and institutions deferred major investments towards new assets which led to pushing forward of their forecasted orders in this segment

Opportunities

- Revival and normalization of economic activities and operations nationally, especially in small and medium businesses, together with expected portable power back up demand in first 6 months is very much expected.
- Our promotions focusing on semi urban, two and three tier cities to leverage pent up lifestyle / comfort requirements from upward mobile consumer base is expected to win our appeal of fuel efficient and reliable offerings in these times.

Concerns

- Adequate power generation was available, matching with overall manufacturing / industrial power demands, which remains much lower than pre-covid levels. Thus, Peak power deficit continues to be within acceptable levels. Interim demand for our products in urban areas driven by long haul power cuts has thus reduced considerably.
- Economic activities resumption to pre-covid levels and thus related effect on improved consumer spending on lifestyle products, is expected to remain subdued in the near short term.

Outlook

- Portable power back up demand from generator, especially on the back of revival of business scenario, is expected to continue but grow at a slower pace, driven by application based sales, ad- interim, external and extreme conditions in niche and no alternate power source conditions requirements.

GENERAL PURPOSE ENGINES AND WATER PUMPING SETS

- Portable product range of petrol fueled engine and water pump business transition from kerosene-powered products was fully completed in Financial Year 2021-22. Unseasonal, erratic and longer stretch of monsoon augured decline in Water Pump sales, especially in eastern and southern markets. State and central government's ongoing support mechanisms towards farming and fisheries sectors were within acceptable levels, providing continuity in key areas and markets. Our directional approach to expand demand based on application and solutions gave us acceptance into portable equipments and mechanization needs of Construction segment.
- Your company launched two new models, a 2 inch high head-self priming pump and a 3 inch high discharge self-priming pump-taking further steps to strengthen its leadership position in these two wide, yet specific segments appealing to the farmer needs in hilly regions and high water requirements respectively
- The government's ongoing support to the agriculture and horticulture ecosystem provided some roll over conversions but overall uncertainty towards continuity of subsidy policy and disbursement mechanisms is impacting agriculture related Original Equipment Manufacturers (OEM) sentiments and impacted engine sales.
- Construction segment mechanization, primarily towards small,

portable and compact machines and applications was affected owing to constrictions imposed by guidelines as well as overall economic activities downturn. However, the need and the reach as well as acceptance of added relief through engine powered applications will remain a user driven market requirement.

- Water ways expansion and water mobility requirements, upgrading from manual to engine driven rowing has been improving the business as well as development of lives of consumers in this segment. The company's targeted, selective outreach in coastal areas and waterways by setting up support to augment the visibility and knowledge base towards such applications alongside our offerings as well as providing after sales set up at users' doorstep, is moving positively and creating a mechanization shift.
- Despite persistent lockdowns in urban areas, rural area activities continuity enabled outreach as well as connect to the farming community. Continued supply chain requirements, towards agriculture produce / products, ensured demand and need for farm operation products and services. Company's channel led demonstrations, supported through vans and manpower deployed to remain in connect, was well received in these difficult times, keeping the brand's promise of continued operations and serving to support products and customers.

Opportunities

- Farm output improvement programs and investments all across, led by increased level of mechanization, shift towards horticulture and oil seeds are all leading indicators of better farm incomes and this sector's returns on investments was encouraging at all levels. Normal monsoon expectations were short lived in Financial Year 2021-22 but the forecast of normal monsoon in the coming year is resuming the confidence index of investments in agriculture and horticulture sectors, boosted by better crop price expectations. Construction mechanization, through portable engines run applications and Farm mechanization products such as engines, water pumps, riding on increasing rural incomes, expected continuity in Government support, together with high cost and scarcity of manual labour, will provide much needed demand for our product portfolio and offerings.
- Growing awareness with a will to address environmental concerns brings in demand towards more fuel efficient engines and water pumps.

Concerns

- State and Union Government outlays around subsidy policy composition, application and disbursement mechanisms with increased pressure on directing the resources towards new programs

Outlook

- State and Union Government continue to allocate and provide support towards agriculture and infrastructure sectors as expected albeit with changes in composition, disbursement and attributes.

Your company is pursuing development of multi-channel structure-supporting Original Equipment Manufacturers in the country across various segments to develop application related products and equipment. Tying up with such small, medium and specialized-quality manufacturers is expected to build another much needed ecosystem of cost competitive and application specific products and services.

BRUSH CUTTERS

- Brush cutters application as well as expansion by leveraging and featuring the cutting edge 4 stroke and 360 degrees rotation of the Company's M4 (micro series) engine family has consistently kept your Company as the market leader. Our range of fuel efficient and

reliable Brush cutters are specifically suited for mechanized solution for farm activities like de-weeding and harvesting.

- Our complete portfolio of fixed shaft, flexible shaft and high powered variants provide matched solution to the needs of frequent user, varied demographic user and professional user respectively. Your company is thus fully supported in all user driven mechanization needs.

TILLERS

- The Company introduced a high HP tiller to expand the portfolio of already successful family of entry level and a high end rotary tiller.
- The new tiller is directed at farming community wanting to do more with higher power in applications requiring diverse use of attachments.
- Horticulture segment is highly care sensitive and highly labour intensive. Honda tillers are creating a place for themselves amongst such horticulture farmers growing vegetables & cash crops, creating much needed mechanization conversion from manual labour. Central and State government continue to assist in making Tillers more accessible through various schemes.

EXPORT BUSINESS

- Engine business from the North America's OEM applications continues to be the highest among all product categories.
- 7KVA gensets from USA was major business driver amongst all product categories. Business from North American and European markets continues to be encouraging.
- New markets development by working closely with the distributors has enabled successful diversification with variety of products such as Tillers and small Engines. Taiwan, South Korea, Indonesia shipments promise better visibility and understanding of these customer profiles to help us to achieve more in these markets.

Concerns

- Competing with global supply chains and various accessibility routes especially in new and emerging markets continue to place price competitiveness a major driver and challenge for success.

Outlook

- Your Company is engaging with OEM's and marketing teams across distributors to develop and nurture the gasoline fueled Tillers, Engines and Water Pumps thereby improving the export mix majorly in South West Asian Markets.

FINANCIAL PERFORMANCE

During the year 2021-22 sale of products was ₹ 1,15,629 Lakh as against ₹ 93,894 Lakh in the previous year. This represents an increase of 23 % in terms of value over previous year.

Profit before Tax and Exceptional Items for the year was ₹ 10,006 Lakh as against ₹ 6614 Lakh in 2020-21.

Key Financial Ratios of the Company which has significant change compared to last year are as follows:

	FY 2021-22	FY 2020-21
Operating Profit Margin (%)	7.20	5.00
Net Profit Margin(%)	6.45	5.18

The return on net worth during the financial year 2021-22 was 11.69% as compared to 8.28% in the financial year 2020-21.

For detailed explanation of change please refer to Note 34 of notes to Financial Statements.

HUMAN RESOURCES

Today's business environment is highly dynamic in nature. The COVID-19 has pushed organizations to adopt the new normal. The world is still under cramps of pandemic. Your Company in this pressing situation, tardily paved the ways to reach new heights. Your Company through the devoted efforts has firmly challenged the odds and resolute to create a safe and healthy working environment.

Corporate world has seen the most volatile and uncertain situation in the past two years Your company has tackled the aftermaths very efficiently and has adopted the new ways and means to stand tall against the disruptions. Your Company has seamlessly incorporated new policies to help employees. The digitization and technology have seeped in immensely and now it has become the center of our operations.

Employees working experience has always been in focus. Empowering and enabling the associates, by enhancing the people processes is an utmost priority. Company is firm and has always ascertained to cultivate and stimulate the desire for performance-oriented culture and is constantly impelling the drive for excellence. Fairness in Performance Management is a critical factor to drive excellence. Your Company is relentlessly investing in technological advancements in HR arena to have better efficacy, transparency and enhanced employee experience. Your Company has fundamentally focused on talent management and has worked stringently on the succession pipeline. Career development, envisioning the generation of future leaders, has always been the primary focus which is meticulously driven to incubate the leadership acumen.

Skill enhancement has been at the core which is clearly visible through comprehensive strategy towards training. Latest technological disruptions are appraised. Your Company always endeavors to embrace diversified talent to bring in creativity across. The Company always maintains a conducive and an open environment for any dialogue. Two-way communication approach has been the core of our strategy to maintain an encouraging and conducive environment

Associates' wellbeing shall be the utmost priority to any business. Your Company during the COVID-19 wrath, stood tall to safeguard the associates holistically. Your Company upgraded the safety infrastructure and necessary processes for pandemic to ensure all around safety in our operations. Furthermore, the Company has also supported the associates through Vaccination drives and employee friendly policies. A team was set up to track and analyze data on employees' health to create a safe and holistic work environment.

The Company as on March 31, 2022 had 766 HR associates.

INFORMATION TECHNOLOGY

Associates' wellbeing shall be the utmost priority to any business. Your Company during the COVID-19 wrath, stood tall to safeguard the associates holistically. Your Company upgraded the safety infrastructure and necessary processes for pandemic to ensure all around safety in our operations. Furthermore, the Company has also supported the associates through Vaccination drives and employee friendly policies. A team was set up to track and analyse data on employees' health to create a safe and holistic work environment.

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 affect the Company's operations include significant changes in political and economic environment in India and key markets abroad, tax laws, litigation, labors relations and interest costs.

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

(a) Conservation of energy

(i)	The steps taken for impact on conservation of energy	Following energy conservation measures were taken to reduce the energy consumption: <ol style="list-style-type: none"> 1. Stoppage of idle running of hydraulic motor of hydraulic power pack in 7 machines in machine shop, leading to 17,830 kWh energy saving per year. 2. Installation of LDR (Light Dependent Resistor) sensors in LED high bay lights to switch ON/OFF the lights according to the lux level during daytime. This resulted in saving of 6,500 kWh per year. 3. Installation of new energy efficient Transformer of 2500 KVA against the replacement of old transformer of 1600 KVA resulted in saving of energy by 36,300 kWh per year. 4. By Acquiring online energy consumption tracking and monitoring system resulted in reduction of energy consumption at various areas by implementing various themes (Saving at office areas during non-operational time, reduction in Air Washer frequency etc.). This resulted in saving of energy by 71,760 kWh.
(ii)	The steps taken by the Company for utilizing alternate sources of energy	Feasibility study of Solar Power Plant for 450 KW capacity is under progress. Installation of the power plant is scheduled in 2023.
(iii)	The capital investment on energy conservation equipments	Following capital investments were made for energy conservation equipments: ₹ 9.50 Lakh: Electrical upgradation of Press machine PDU 200-2003 (Estimated saving: 3,755 kWh/Year) ₹ 64 Lakh: Procurement of 1500 CFM Air compressor against old compressors (Estimated saving: 44,459 kWh/Year) ₹ 24 Lakh: Procurement of 1500 CFM Air dryer against old dryer (Estimated saving : 31,375 kWh/Year)

(b) Technology Absorption

(i)	The effort made towards technology absorption	<ol style="list-style-type: none"> 1. Upgradation of technical knowledge of associates by using technical expertise of Honda Motors Co. Ltd. by way of on the job training and guidance to the Company’s engineers and technicians. 2. For development of the new technology model and to improve the manufacturing quality of in-plant / out plant parts, new manufacturing facility has been added in the following areas: <ol style="list-style-type: none"> a. Adoption of Bluetooth and CO sensor enabled technology to produce Genset for USA Market b. Localization and Cost reduction of parts of Engines and Generators. c. Adoption of global concept for domestic Engines & Gensets with E10 Gasoline. d. Upgrading existing Generator models to continuously meet the Regulations of advance countries such as: - <ul style="list-style-type: none"> • EPA/ CARB and Evaporation for the USA Market. • ANSI /PGMA / Tier 3 Regulation for the USA Market. • GOST-R compliant for the Russia Market. e. Upgrading existing WB30X pump efficiency by launching a new model WB30XD and WB20XD for domestic market.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	The benefits derived related to: <ol style="list-style-type: none"> a. Meeting customer as well as regulatory requirement in all product ranges like Engine and Generator. b. Producing environment friendly product by managing hazardous substance. c. Cost reduction through indigenization. d. Enhancement of the sales feature of the products.
(iii)	In case of imported technology <ol style="list-style-type: none"> a) The details of technology imported b) The year of Import c) Whether the technology been fully absorbed d) If not fully absorbed, area where absorption has not taken place and the reasons thereof 	Following information is furnished in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): For Manufacturing/ testing of Power Products. Technology is being imported since beginning of the collaboration agreement dated 18.10.1985, as is renewed/revamped from time to time and valid for a period of 5 years till March 31, 2027. No, this is a continuous process. Technology is further to be absorbed for localization of high technology engine components and in producing the country specific products / models like: <ol style="list-style-type: none"> - For Engines- OHV Technology- Cost reduction parts. - For Generator – Fuel Injection system technology- Increase the efficiency of parts by Value Engineering. - To increase the value of the product, Bluetooth and CO sensor enabled product development for US. - For Water Pump- high performance self-priming pumps for Indian farmers.
(iv)	The expenditure incurred on Research and Development	NIL

(c) Foreign Exchange Earnings and Outgo

During the year, the total foreign exchange used was ₹ 35,340 Lakh and the total foreign exchange earned was ₹ 58,841 Lakh.

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
**The Members,
Honda India Power Products Limited
(Formerly known as Honda Siel Power Products Limited)
CIN: L40103DL2004PLC203950
409, DLF Tower B
Jasola Commercial Complex
New Delhi-110025.**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Honda India Power Products Limited (Formerly known as Honda Siel Power Products Limited) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books, Papers, Minute Books, Forms and Returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:(i) The Companies Act, 2013 (the "Act") and the Rules made thereunder;

- (ii) The Securities Contract (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"): -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with the client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.; and
 - (j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) **We further report that**, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with following Acts, Laws and Regulations applicable specifically to the Company:-
- (a) The Explosives Act, 1884 and Rules made thereunder;
 - (b) The Boilers Act, 1923 and Rules made thereunder;
 - (c) The Petroleum Act, 1934 and Rules made thereunder;
 - (d) Legal Metrology Act, 2009 and Rules thereunder
 - (e) The Electricity Act, 2003 and Rules made thereunder; and

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd. (NSE).
- (iii) Codes and Policies adopted by the Company.

We report that during the period under review the following Regulations and Guidelines were not applicable to the Company:

- (i) Rules and Regulations prescribed by the Reserve Bank of India under Foreign Exchange Management Act, 1999 with respect to the Overseas Direct Investment and External Commercial Borrowings;
- (ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (iii) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (iv) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (v) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (vi) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018

We further report that during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We further report that adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Decisions carried through by the Board do not have any dissenting views and hence no relevant recordings were made in the minute's book maintained for the purpose.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations, Circulars and Guidelines framed thereunder.

We further report that during the audit period there were following event(s)/action(s) in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc, having a major bearing on the Company's affairs.

(i) Change in management

Mr. Noboru Sube appointed as an additional director of the Company to hold office from August 11, 2021 till the ensuing Annual General Meeting of the Company in the Board meeting held on August 10, 2021 as recommended by the Nomination and Remuneration Committee through Resolution by Circulation dated August 09, 2021. Further, Mr. Noboru Sube appointed as Whole Time Director for a period of five years effective September 15, 2021 in the Board Meeting held on September 14, 2021 as recommended by the Nomination and Remuneration Committee in its meeting held on September 14, 2021, subject to approval of the shareholders of the Company. In the Annual General Meeting of the Company held on September 21, 2021, Mr. Noboru Sube was duly confirmed as the Director of the Company whose period of office shall be liable to retire by rotation and in the Extra-Ordinary General Meeting held on November 10, 2021, Mr. Noboru Sube was duly confirmed as the Whole Time Director of the Company. The Company has duly filed necessary intimations in this regard with the Stock Exchange and the Registrar of Companies.

Mr. Masaaki Morita, has ceased to be the Director of the Company with effect from the close of working hours on August 10, 2021. The Company has duly filed necessary intimations in this regard with the Stock Exchange and the Registrar of Companies.

Mr. Vinay Mittal was re-appointed as the Whole Time Director of the Company for a further period of five years w.e.f. 1st April, 2022 in the Board Meeting held on February 10, 2022 as recommended by the Nomination and Remuneration Committee in its meeting held on February 10, 2022 subject to approval of the shareholder of the Company. The said appointment also approved by the shareholders through Postal Ballot. The Company has duly filed necessary intimations in this regard with the Stock Exchange and the Registrar of Companies.

(ii) Declaration and Payment of Final Dividend

The Board in its meeting held on May 27, 2021 had proposed to recommend the final dividend of ₹ 10/- (Rupees Ten only) per equity share which shall be paid out of the profits of the Company for the Financial Year 2020-21 and the dividend as recommended by the board was also approved by the Shareholder of the Company in the Annual General Meeting held on September 21, 2021. The Company has duly made the payment of such final dividend to its Shareholders in compliance with the provisions of the Companies Act, 2013.

(iii) Re-Appointment of Cost Auditor

The Board had re-appointed M/s Rakesh Singh & Co., Cost Accountants, as Cost Auditor of the Company to conduct the audit of the Cost Records of the Company for the Financial Year 2021-22. The said re-appointment of Cost Auditors was made in its Board Meeting held on May 27, 2021 as recommended by the Audit Committee in its meeting held on May 27, 2021 and such appointment and remuneration was also ratified and confirmed by the shareholders of the Company in the Annual General Meeting held on September 21, 2021.

(iv) Alteration of Memorandum of Association

The Board had approved alteration of its Memorandum of Association in its meeting held on August 10, 2021 and also approved by shareholder in Annual General Meeting held on September 21, 2021 by inserting the following Clause in the objects specified in the Memorandum of the Company:

A. Insertion of Clause 4

"To manufacture, assemble, buy, sell, distribute, import, export, alter, re-model, hire, exchange, repair, service and otherwise deal in Batteries and Battery charger of every kind and description, component parts thereof, spare parts, accessories, tools, implements, materials."

B. Amendment in Clause 4 (now Clause 5)

"To manufacture, assemble, buy, sell, distribute, import, export, alter, re- model, hire, exchange, repair, service and otherwise deal in all types of parts, gears, transmission axles, joints, springs, lamps, chains, bodies, frames, chassis engine, tyre, tubes, batteries, goods, instruments, laminations, stampings, windings, electronics and electrical controls, voltage regulators, appliances and apparatus, components, accessories, raw material of every kind and description required for capable of being used for or in connection with the objects described in 1- 4 above."

C. Amendment in Clause 1 to 5 (as numbered above)

Inclusion of "Single Brand Retail Trading" among the activities mentioned in clause 1 to 5.

The Company has duly filed necessary intimations in this regard with the Stock Exchange and the Registrar of Companies.

**For TVA & Co. LLP
Company Secretaries**

**Sd/-
Tanuj Vohra
Partner**

**M. No.: F5621, C.P. No.: 5253
UDIN: F005621D000338437
RP L2015UP000900**

Delhi, May 18, 2022

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of our report.

To,
The Members,
Honda India Power Products Limited
(Formerly known as Honda Siel Power Products Limited)
CIN: L40103DL2004PLC203950
409, DLF Tower B,
Jasola Commercial Complex,
New Delhi-110025.

- 1 Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the various compliances but the maintenance of secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
- 2 We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion and the compliance of the provisions of Corporate and other applicable Laws, Rules and Regulations is the responsibility of the Management of the Company. Our examination was limited to the verification of procedures on test basis.
- 3 We have not verified the correctness and appropriateness of the financial records and Books of accounts of the Company.

Annexure-A

- 4 We have obtained necessary Management Representation about the compliance of various laws, correctness of information shared and happening of events, wherever required.
- 5 Compliance with respect to the filings of various Reports, Returns, Forms, Certificates and Documents under the various statutes as mentioned in our Report is the responsibility of the Management of the Company. Our examination was limited to checking the execution and timeliness of filing and we have not verified the contents of such Reports, Returns, Forms, Certificates etc.
- 6 Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For TVA & Co. LLP
Company Secretaries

Sd/-
Tanuj Vohra
Partner

M. No.: F5621, C.P. No.: 5253
UDIN: F005621D000338437
RP L2015UP000900

Delhi, May 18, 2022

Annual Report on CSR Activities of the Company

1. Brief outline on CSR Policy of the Company:

The Company's CSR Policy has been framed within the objectives prescribed under Schedule VII of the Companies Act, 2013 as per the following Vision and Objective:

1. Vision:

To be a Socially Responsible Corporate and helping in enhancing the standards of human development index, clean environment or in any other ways through partnering with various Government authorities or otherwise, directly or indirectly through any approved Trust/ NGO, in India.

2. Objective:

2.1. To align and integrate the CSR activities with the corporate philosophy and make them result oriented.

2.2. To sustain and continuously improve the quality of life and economic wellbeing of the Indian population.

2.3. To create a brand image of the Company which society will want to exist as a socially responsible Company.

CSR activities proposed to be undertaken by the Company shall be in pursuance to Section 135 read with Schedule VII, as amended from time to time, of the Companies Act, 2013.

2. Composition of CSR Committee:

S. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Takahiro Ueda	Chairperson	1*	1
2.	Mr. Ravi Prakash Mehrotra	Member		1
3.	Mr. Vinay Mittal	Member		1

*During the year, Resolution by Circulation was also passed by the Committee on March 29, 2022.

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:

The details related to CSR Committee, Policy and the approved Projects are available on the Company's website at the weblink: www.hondaindiapower.com/investors/policies. The current composition of CSR Committee is available at www.hondaindiapower.com.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014:

In pursuance to Sub-Rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, Impact assessment is not applicable to the Company since the average CSR obligation in pursuance of Sub-Section (5) of Section 135 of the Act, for immediately preceding 3 financial years is less than 10 Crore rupees.

5. Details of the amount available for set off in pursuance of Sub-Rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year:

The total amount available for set off pursuant to said rule was 10.53 Lakh. However, the Company did not set off this excess amount against the required 2% CSR expenditure for the financial year 2021-22.

6. Average Net Profit of the Company as per Section 135(5): ₹ 8447 Lakh

7. (a). Two percent of average Net Profit of the Company as per Section 135(5): ₹ 170 Lakh

(b). Surplus arising out of the CSR Projects or Programs or activities of the previous Financial Years: NIL

(c). Amount required to be set off for the Financial Year: NIL

(d). Total CSR obligation for the Financial Year (7a+7b-7c): ₹ 170 Lakh

8. (a). CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹):	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
0	170 Lakh	22-04-2022	N.A.	NIL	N.A.

(b). Details of CSR amount spent against ongoing projects for the Financial Year:

(₹ in Lakh)

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project.		(6) Project Duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial year for the project (in ₹)	(9) Amount Transferred to Unspent CSR Account for the Project as per Section 135(6)	(10) Mode of Implementation-Direct (Yes/No)	(11) Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	Mobile medical facility in the interior villages of Greater Noida	1	Yes	Uttar Pradesh	Gautam Budh Nagar	March 2022 to November 2022	37.39	0	37.39	No	Honda India Foundation Trust	CSR00001270
2.	Education (basic infrastructure) across its factory location in Greater Noida	2	Yes	Uttar Pradesh	Gautam Budh Nagar	March 2022-October 2023	132.61	0	132.61	No		
Total							170	0	170			

(c). Details of CSR amount spent against other than ongoing projects for the Financial Year:

NIL

(d). Amount spent in Administrative Overheads:

NIL

(e). Amount spent on Impact Assessment:

As per Point No. 4 of this Report, Impact Assessment is not applicable Hence, no amount was spent under this head.

(f). Total amount spent for the Financial Year (8b+8c+8d+8e):

NIL

(g). Excess amount for set off:

(₹ in Lakh)

S. No.	Particulars	Amount
(i).	Two percent of average Net Profit of the Company as per Section 135(5)	170
(ii).	Total amount spent/transferred to unspent CSR Account for the Financial Year	170
(iii).	Excess amount spent for the Financial Year [(ii)-(i)]	0
(iv).	Surplus arising out of the CSR Projects or Programs or Activities of the previous Financial Years, if any	0
(iv).	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0

9. (a). Details of Unspent CSR amount for the preceding three Financial Years:

₹ 170 Lakh (to be spent on ongoing projects taken up during the financial year 2021-22)

(b). Details of CSR amount spent in the Financial Year for ongoing projects: of the preceding Financial Year(s)

NIL

10. In case of creation or acquisition of Capital Asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details):

(a)	Date of creation or acquisition of the Capital Asset(s):	No Capital Asset during the period under review was created or acquired by the Company.
(b)	Amount of CSR spent for creation or acquisition of Capital Asset:	No amount was spent for creation or acquisition of Capital Asset by the Company.
(c)	Details of the Entity or Public Authority or Beneficiary under whose name such Capital Asset is registered, their address etc.:	Not Applicable
(d)	Provide details of the Capital Asset(s) created or acquired (including complete address and location of the Capital Asset):	Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average Net Profit as per Section 135(5): Not Applicable

Sd/-
Takahiro Ueda
CMD and President & CEO/Chairman CSR Committee
DIN: 08685990

Sd/-
Ravi Prakash Mehrotra
Independent Director/Member CSR Committee
DIN: 06823899

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

The principles of Corporate Governance are based on transparency, accountability and focus on the sustainable success of the Company over the long-term. Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. The Company is committed to doing things the right way which means taking business decisions and acting in a way that is ethical and in compliance with applicable legislations. To succeed, we believe, it requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact.

The Company is committed to focus on long term value creation and protecting stakeholders' interests by applying proper care, skill and diligence to business decisions.

2. Board of Directors

The Board of Directors ('the Board') have ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Board is responsible for and committed to sound principles of Corporate Governance in the Company and plays a crucial role in overseeing how the management serves the short and long-term interests of shareholders and other stakeholders. This belief is reflected in our governance practices under which we strive to maintain an effective informed and independent Board.

Your Company's Board comprises of an equal number of Independent and Non-Independent Directors and the same is also in line with the applicable provisions of Companies Act, 2013 ('the Act') and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). As on date of this Report, the Board consists of six Directors. The composition of the Board represents an optimal mix of professionalism, knowledge and experience.

None of the Independent Directors of your Company serves as an Independent Director in more than seven listed entities.

The Company has established systems, procedures and policies to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the management with the strategic direction catering to exigency of long term shareholders value.

Board Meetings

There is a well-organized system for seeking Board approvals, which facilitates and provides room for sound and informed decision making by the Board and its Committees. Agenda and other relevant reports are circulated at least seven days ahead of the meeting. The quantum and quality of information supplied by the Management to the Board goes well beyond the minimum requirement stipulated under Companies Act, 2013, Secretarial Standards and the Regulations. Where expedient, the Board also approves Resolutions by way of circulation between two successive Board Meetings, as permitted by law, which are noted in the subsequent Board Meeting.

The notice of Board / Committee Meetings is given well in advance to all the Directors. The Agenda of the Board / Committee Meetings is set by the Company Secretary in consultation with the Management of the Company. The Board Agenda includes an Action Taken Report comprising of actions taken on decisions arrived at the Board Meetings and updates thereof.

During the financial year, six Board Meetings were held on May 27, 2021, August 10, 2021, September 14, 2021, October 11, 2021, November 12, 2021 and February 10, 2022. These meetings were held through audio-visual means. The maximum interval between any two Meetings was well within the maximum gap allowed of 120 days. During the year, Resolution by Circulation was passed by the Board of Directors on March 29, 2022. All statutory and other important items/ information were placed before the Board for approval/review.

The number of Directorship(s), Committee Membership(s) / Chairmanship(s) of all Directors is within the respective limits prescribed under the Act and the Listing Regulations. The composition of the Board of Directors, attendance of the Directors at the Board Meetings and Annual General Meeting and other required details as per Listing Regulations is given below:

S. No.	Name of Director/ Member	Category	Attendance at the last AGM	No. of Board Meetings attended	Number of Directorship in other public Companies	Number of Directorship in other listed companies	Name of other listed companies where he/she is a director	Category of Directorship in other listed companies	Number of Committee Membership including (Chairmanship)	Number of shares held
1	Takahiro Ueda	Non-ID/ED	Yes	6	Nil	Nil	NA	NA	2 (Nil)	Nil
2	Manoj Arora	ID/NED	Yes	6	1	Nil	NA	NA	1(1)	Nil
3	Alka Marezban Bharucha	ID/NED	Yes	6	8	5	1. Ultratech Cement Ltd. 2. Orient Electric Limited 3. Birlasoft Ltd. 4. Hindalco Industries Ltd. 5. Aditya Birla Sun Life AMC Ltd.	Independent Director	6(4)	Nil
4	Ravi Prakash Mehrotra	ID/NED	Yes	6	Nil	Nil	Nil	Nil	(1)	200
5	Vinay Mittal	Non-ID/ED	Yes	6	Nil	Nil	NA	NA	1(Nil)	Nil
6	Masaaki Morita*	Non-ID/NED	No	0	Nil	Nil	NA	NA	Nil	Nil
7	Noboru Sube*	Non-ID/ED	Yes	3	Nil	Nil	NA	NA	Nil	Nil

ID- Independent Director, ED- Executive Director, NED- Non- Executive Director

Note:

- Directorships held by Directors as mentioned above do not include Alternate Directorship, Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.
- In accordance with Regulation 27 of Listing Regulations, Membership including Chairmanship of Audit Committee and Stakeholders Relationship Committee of Public Limited Companies have been considered.
- None of the Directors is a member of more than ten Board Level Committees of Public Limited Companies in which they are Directors nor is Chairperson of more than five such Committees.
- There has been no inter-se relationship between Directors of the Company.

***Particulars of change in directorship during the year:**

Name of the Director	Category	Date of Appointment/ Cessation	Remarks
Mr. Masaaki Morita	Non-ID/ Non- ED	August 11, 2021	Ceased to be director from the close of business hours on August 10, 2021.
Mr. Noboru Sube	Non-ID/ Non-ED	August 11, 2021	Appointed as Non-Independent / Non-Executive Director effective August 11, 2021
	Non-ID/ ED	September 15, 2021	Re-designated as Whole Time Director effective September 15, 2021

Mr. Manoj Arora, Independent Director, Chairman of the Audit Committee and Ms. Alka Marezban Bharucha, Independent Director, Chairperson of Nomination and Remuneration Committee and Mr. Ravi Prakash Mehrotra, Chairman of Stakeholder Relationship Committee attended the Annual General Meeting of the Company held through audio-visual means.

The Company does not pay any remuneration to its Non-Executive/ Independent Directors except ₹ 60,000/- (Rupees Sixty Thousand only) per Meeting as sitting fees for attending Meetings of the Board & Audit Committee and ₹ 50,000/- (Rupees Fifty Thousand only) per Meeting as sitting fees for attending Meetings of its other 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.

Key Board Skills, Expertise and Competencies:

The Board comprises qualified members who bring in the required skills, competence and expertise to enable them to effectively contribute in deliberations at Board and Committee Meetings. The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by individual Directors, which are key to corporate governance and Board effectiveness:

	Mr. Manoj Arora	Ms. Alka M. Bharucha	Mr. Ravi P Mehrotra	Mr. Takahiro Ueda	Mr. Masaaki Morita*	Mr. Noboru Sube**	Mr. Vinay Mittal
General							
Board efficiency and effectiveness	✓	✓	✓	✓	✓	✓	✓
General management	-	-	✓	✓	✓	✓	✓
Global/Emerging Markets management experience	-	-	-	✓	✓	✓	✓
Governance							
Understanding of legal, ethical and fiduciary duties	✓	✓	✓	✓	✓	✓	✓
Risk management	✓	✓	✓	✓	✓	✓	✓
Technical							
Health and Safety	-	-	-	✓	✓	✓	✓
Supply Chain	-	-	✓	✓	✓	✓	✓
Marketing, Sales and Customer Service-in relation to power products industry	-	-	✓	✓	✓	✓	✓
Financial	✓	✓	✓	✓	-	-	✓
Manufacturing /Engineering acumen	-	-	-	-	✓	✓	-
Industry Experience							
Manufacturing	-	-	✓	✓	✓	✓	✓
Logistics / Distribution / Supply Chain	-	-	-	✓	✓	✓	✓
International Trade	-	-	✓	✓	-	-	✓
Diversity							
Optimal mix of skills, expertise and experience	✓	✓	✓	✓	✓	✓	✓

*Ceased to be a Director w.e.f. close of business hours on August 10, 2021.

**Appointed as Director w.e.f. August 11, 2021.

In the opinion of the Board, the Independent Directors fulfil the conditions as specified in the Regulations and are Independent from the Management.

One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-election as provided under the (the Act) and in terms of the Articles of Association of the Company.

Familiarization Programme for Independent Directors

During the year 2021-22, no new independent director was appointed on the Board. Therefore, no formal familiarization programme was conducted.

The details of Familiarization Programme in terms of Regulation 25(7) of the Listing Regulations is uploaded on the website of the Company and can be accessed at www.hondaindiapower.com.

Meeting of Independent Directors

During the year, the Independent Directors (IDs) met once through audio-visual means on February 10, 2022, without the presence of Non-Independent Directors and Members of the Management. At this meeting, the IDs inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, Chairperson of the Board and discussed aspects relating to the quality, quantity and timelines of the flow of information between the Company, the Management and the Board.

A certificate from a Company Secretary in Practice as annexed in **Annexure - F** has been taken that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of the Company by the SEBI/MCA or any such statutory authority.

Committees of the Board

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulations and with regard to matters which concern the Company and need a quick and closer review.

During the year, all recommendations of the Committees of the Board which were mandatorily required to be set up have been accepted by the Board.

The Board has established Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Board Committee on Financial Matter and Risk Management 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 its Meeting held subsequent to the date of such Committee meetings. The role and composition of these Committees, including the number of Meetings held during the financial year and the attendance of its Members are provided below:

i. Audit Committee

The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with high level of transparency, integrity and quality of financial reporting. The Committee is also responsible for evaluation of internal financial control system, risk management, performance of statutory and internal auditors and internal audit functions.

Composition of the Audit Committee and terms of reference meet with the requirements of Regulation 18 of the Listing Regulations and provisions of the Act. The terms of reference to the Audit Committee as approved by the Board are available on the Company's website at www.hondaindiapower.com.

The Chief Financial Officer, representatives of Statutory Auditors and of Internal Auditors attend the Meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Committee.

During the Financial Year 2021-22, Audit Committee met five times on May 27, 2021, on August 10, 2021, on October 11, 2021 on November 12, 2021 and on February 10, 2022 through audio-visual means. In each of these Meetings all the Members were present. The Board accepted all the recommendations made by the Audit committee. Constitution of the Committee and attendance of the Members at the Meetings were as under:

Name of the Member	Category	Status	Number of Meetings Attended
Mr. Manoj Arora	ID/NED	Chairman	5
Ms. Alka Marezbhan Bharucha	ID/NED	Member	5
Mr. Takahiro Ueda	Non-ID/ED	Member	5

ii. Nomination and Remuneration Committee

In terms of Section 178 of the Act and Regulation 19 of Listing Regulations, the Company has constituted the Nomination and Remuneration Committee. The Committee mainly discharges the duties related to recommendation regarding nomination of Directors and Senior Management to the Board and their remuneration, formulating criteria for determining qualifications, attributes and independence of Directors and formulation of criteria for performance of Directors.

The remuneration paid to the Executive Director is determined keeping in view his/her professional qualification, relevant industry experience, size of the Company and current remuneration standards for such senior executive positions in the relevant industry. Perquisites and retirement benefits are paid according to the Company's policy as applicable to the employees.

The Committee further formulates the criteria for evaluation of performance of the Independent Directors.

In compliance with requirements of the Act, the Constitution, terms of reference, role and scope of Committee are in line with those prescribed by the Act and Regulation 19 of Listing Regulations and are available on the Company's website at www.hondaindiapower.com.

The Company Secretary acts as the Secretary to the Committee.

The Committee met three times, on May 27, 2021, on September 14, 2021 and on February 10, 2022 through audio-visual means. During the year, Resolution by Circulation was passed by the Committee on August 09, 2021.

Constitution of the Committee and attendance of the Members at the meetings were as under:

Name of the Member	Category	Status	No. of meetings attended
Ms. Alka Marezban Bharucha	ID/NED	Chairperson	3
Mr. Manoj Arora	ID/NED	Member	3
Mr. Ravi Prakash Mehrotra	ID/NED	Member	3

Performance Evaluation Criteria

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors and other Directors, Board as a whole and the Committees thereof. The criteria for performance evaluation cover the areas relevant to their functioning as Independent Directors or other Directors, Member of Board or Committees of the Board.

In accordance with the evaluation framework laid down by the Nomination and Remuneration Committee, the Board of Directors undertook the evaluation of its own performance, its Committees and all the individual Directors, including Independent Directors. The evaluation of the performance of each Director was based on level of participation in Meetings, understanding the roles and responsibilities, understanding the strategic issues and challenges in the Company.

The Independent Directors at their Meeting also discussed the performance of the Non-Executive Directors including the Chairman of the Board. Based on the above broad parameters, the effectiveness of the Board and its Committees were found satisfactory.

The performance evaluation of Independent Directors was done by the entire Board of Directors excluding Independent Director being evaluated. Broad parameters for reviewing the performance of Independent Directors amongst other include participation at the Board/Committee Meetings, understanding their roles and responsibilities and business of the Company, effectiveness of their contribution/ commitment, effective management of relationship with stakeholders, integrity and maintaining of confidentiality, exercise of independent judgment in the best interest of the Company, ability to contribute to and monitor Corporate Governance practice, adherence to the Code of Conduct for Independent Directors, bringing independent judgement during Board deliberations on Strategy, Performance, Risk Management, etc.

The evaluation of the Performance of Board was based on Board composition, experience and competencies, understanding of business and competitive environment, quality of discussions at the Board Meetings, time spent by the Board on the Company's long term goals and strategies.

Details of remuneration paid to Directors for the year 2021-22

A. Executive Directors

The details of the remuneration paid to the Whole Time Director(s) during the year 2021-22 are as under:

(Amount in ₹)

Name	Salary	Benefits	Bonus	Stock Options	Pension	Fixed Components	Variable Pay	Service Contract
Mr. Vinay Mittal	62,78,388	19,72,181	-	-	-	86,25,730	397934	01.04.2017 to 31.03.2022
Mr. Takahiro Ueda	9,00,000	1,43,83,245	-	-	-	1,00,90,000	-	01.02.2020 to 31.01.2025
Mr. Noboru Sube*	4,90,000	49,99,588	-	-	-	28,79,667	-	15.09.2021 to 14.08.2026

*Mr. Noboru Sube was appointed as Non-Executive /Non-Independent Director effective August 11, 2021 and re-designated as Whole Time Director effective September 15, 2021.

The appointment of the CMD & President & CEO and the other Executive Directors is governed by resolutions passed by the Board and the Shareholders of the Company, which cover the terms and conditions of such appointment read with the service rules of the Company. There are no separate provisions for the service of notice period and payment of severance fee to the Executive Directors.

B. Non-Executive Directors

The Non-Executive Directors receive sitting fees for attending the Meeting of the Board and Committees thereof.

Details of sitting fees paid during the year 2021-22 for attending the Meetings of Board and of its Committees were as under:

(Amount in ₹)

Name of the Director	Board	Audit Committee	Stakeholders Relationship Committee	Risk Management Committee	Nomination and Remuneration Committee	CSR Committee	Independent Directors Meeting	Total
Mr. Manoj Arora	3,60,000	3,00,000	-	1,00,000	1,50,000	-	50,000	9,60,000
Ms. Alka Marezban Bharucha	3,60,000	3,00,000	-	-	1,50,000	-	50,000	8,60,000
Mr. Ravi Prakash Mehrotra	3,60,000	-	50,000	-	1,50,000	50,000	50,000	6,60,000
Mr. Masaaki Morita*	No sitting fee was paid pursuant to the letter of waiver of fees received from the Director.							
Grand Total								24,80,000

* Ceased to be a Director w.e.f. close of business hours on August 10, 2021.

There are no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company. Criteria of making payments to non-executive directors is uploaded on the website of the Company and can be accessed at www.hondaindiapower.com/investors/policies.

iii. Stakeholders Relationship Committee

The remit of the Committee as prescribed under Regulation 20 of the Listing Regulations & SEBI (Listing Obligation and Amendment thereof) is to consider various aspects of interest of the security holders of the Company, including resolving complaints relating to 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), re-materialization of shares, endorsement on fully paid share certificates which have further been sub-delegated by the Committee to the Company Secretary of the Company.

Composition of the Stakeholders Relationship Committee and terms of reference meet with the requirements of Regulation 20 of Listing Regulations and provisions of the Act.

During the Financial Year 2021-22, the Committee met once on February 10, 2022 through audio-visual Resolutions by Circulation were passed on June 24, 2021, August 29, 2021 and October 26, 2021. Composition of the Committee along with attendance of the members at the meeting is as follows:

Name of the Member	Category	Status	No. of Meetings attended
Mr. Ravi Prakash Mehrotra	ID/NED	Chairman	1
Mr. Takahiro Ueda	Non-ID/ED	Member	1
Mr. Vinay Mittal	Non-ID/ED	Member	1

The Company Secretary acts as the Secretary to the Committee.

Compliance Officer

Ms. Sunita Ganjoo, Company Secretary is the Compliance Officer for complying with the requirements of Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, including the amendments/modifications thereof and Listing Regulations.

Investor Grievance Redressal

As on March 31, 2022, your Company had 16139 investors. During the year under review, the status of complaints was as follows:

Number of investor Complaints pending at the beginning of the year	Number of investor complaints received during the year	Number of investor complaints disposed of during the year	Number of investor complaints not redressed upto the satisfaction of shareholders during the year	Number of investor complaints pending at the end of the year
0	4	4	0	0

iv. Corporate Social Responsibility Committee

The Committee discharges the duties stipulated under Section 135 of the Companies Act, 2013 which includes formulation and recommendation to the Board, a Corporate Social Responsibility (CSR) Policy, as amended from time to time, indicating the activities to be undertaken by the Company as per Schedule VII to the Act; recommendation of the amount of expenditure to be incurred; and monitoring the CSR Policy/activities of the Company.

During the Financial Year 2021-22, the Committee met once on September 14, 2021 through audio-visual means. During the year, Resolution by Circulation was passed by the Members of Committee on March 29, 2022. Composition of the Committee along with attendance of the members at the meeting was as follows:

Name of the Member	Category	Status	No. of Meetings attended
Mr. Takahiro Ueda	Non-ID/ED	Chairman	1
Mr. Ravi Prakash Mehrotra	ID/NED	Member	1
Mr. Vinay Mittal	Non-ID/ED	Member	1

The Company Secretary acts as the Secretary to the Committee.

v. Board Committee on Financial Matters

The terms of reference inter-alia include opening and closing of bank accounts, investment of surplus funds, authorization to Company's personnel for operation of bank accounts etc.

The Board Committee on Financial Matters met three times during the year 2021-22 on August 11, 2021, September 15, 2021 and December 03, 2021. Attendance of the Members at the Meetings was as follows:

Name of the Member	Category	Status	No. of Meetings attended
Mr. Takahiro Ueda	Non-ID/ED	Chairman	3
Mr. Vinay Mittal	Non-ID/ED	Member	3
Mr. Masaaki Morita*	Non-ID/NED	Member	-
Mr. Noboru Sube**	Non-ID/ED	Member	2

*Ceased to be a Director w.e.f. close of business hours on August 10, 2021.

**Appointed as Member of Committee w.e.f. August 11, 2021.

The Company Secretary acts as the Secretary to the Committee.

vi. Risk Management Committee

The role and responsibilities of the Committee, inter alia, include (i) formulation of Risk Management Policy (ii) ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; (iii) monitoring and overseeing implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems and periodic review of the same. Further, the Committee shall keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken. The Board of Directors review the Risk Management Plan annually. Policy on the Risk Management and detailed terms of reference of the Committee may be accessed at www.hondaindiapower.com

The Committee met twice during the year on August 10, 2021 and on January 28, 2022.

Constitution of the Committee alongwith attendance of the members at the meetings was as follows:

Name of the Member	Category	Status	No. of meetings attended
Mr. Takahiro Ueda	Non-ID/ED	Chairman	2
Mr. Vinay Mittal	Non-ID/ED	Member	2
Mr. Manoj Arora	ID/NED	Member	2
Mr. Noboru Sube*	Non-ID/ED	Member	0

*Mr. Noboru Sube was appointed as the member of the Committee effective September 15, 2021.

3. Code of Conduct

Guided by the fundamental belief of “Respect for the Individual” and “The Three Joys” (“The Joy of Buying”, “The Joy of Selling”, “The Joy of Creating”), the Company has laid down Honda Code of Conduct Guidelines that serves as a guide for the business actions in a global, complex and changing environment. The Code sets forth Company’s commitment to the principles of business ethics and transparency in all areas of activity and establishes a set of principles and guidelines for conduct, designed to ensure ethical and responsible behavior.

Further, in compliance with the Listing Regulations, the Company’s Board has laid down a Code of Conduct for all Board Members and designated Senior Management of the Company. The code of conduct is available on the website of the Company at www.hondaindiapower.com/investors/policies. All Board Members and Designated Senior Management personnel have affirmed compliance with the code of conduct. A declaration signed by the Chief Executive Officer to this effect is attached to this Report.

In terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and further amendments/modifications thereof, the Company has formulated a Code of Conduct to regulate, monitor, and report trading by insiders to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. During the year under review there has been due compliance with the provisions of the aforementioned Code which is available on website of the Company at www.hondaindiapower.com/investors/policies.

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
2020-21	September 21, 2021	1100 hours	Held through Audio Visual means	1. Revision in remuneration of Mr. Vinay Mittal, Whole Time Director (DIN: 05242535) 2. Approval for alteration in the Memorandum of Association of the Company
2019-20	September 21, 2020	1100 hours	Held through Audio Visual means	1. Approval of payment of remuneration to Mr. Takahiro Ueda (DIN: 08685990), CMD and President & CEO of the Company 2. Revision in remuneration of Mr. Vinay Mittal, Whole Time Director (DIN 05242535)
2018-19	August 07, 2019	1100 hours	Kamani Auditorium No. 1, Copernicus Marg, New Delhi-110001	1. Re-appointment of Mr. Manoj Arora as an Independent Director (DIN: 00844279) 2. Re-appointment of Ms. Alka Marezban Bharucha as an Independent Director (DIN: 00114067) 3. Appointment of Mr. Siddharth Shriram as an Independent Director (DIN: 00027750) 4. Re-appointment and fixing of remuneration of Mr. Hiroyoshi Sugimizu as Whole Time Director of the Company (DIN: 06848213) 5. Revision in remuneration of Mr. Vinay Mittal, Whole Time Director (DIN: 05242535)

- The Extra Ordinary General Meeting of the Company, during the year was held as under:

Financial Year	Date	Time	Location	Special Resolution Passed
2021-22	November 10, 2021	1100 hours	Held through Audio Visual means	Approval for payment of remuneration to Mr. Noboru Sube (DIN 09269643), Whole Time Director of the Company.

5. Means of Communication

- The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India, which include Financial Express and Jansatta. The Company has sent Financial Results to the Stock Exchanges within thirty minutes of closure of the meeting in which these were approved by the Board of Directors of the Company.
- The results of the Company are displayed on the Company’s website at www.hondaindiapower.com and website of National Stock Exchange of India Ltd. at www.nseindia.com, BSE Limited at www.bseindia.com. The Company’s website also displays the official news releases.
- The Company made no presentation to the Analysts during the Financial year 2021-22.

Annual Report containing inter-alia, Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to Members and others entitled thereto. The Management Discussion & Analysis Report as provided in Annexure-A to the Board's Report, forms part hereof.

6. General Shareholders' Information

i. 37th Annual General Meeting

Day, Date & Time	: Monday, September 26, 2022, 11:00 A.M. IST
Venue /Means	: Through Audio Visual Means
Financial Year	: Year ended March 31, 2022
Book Closure	: September 20, 2022 to September 26, 2022 (both days inclusive)
Dividend Payment Date	: October 21, 2022

ii. Tentative Financial Calendar 2022-23

The tentative dates for approval of Unaudited/ Audited Financial Results for 2022-23, are as follows:

Quarter ending June 30, 2022	1 st week of August, 2022
Quarter ending September 30, 2022	2 nd week of November, 2022
Quarter ending December 31, 2022	2 nd week of February, 2023
Quarter ending March 31, 2023	Last week of May, 2023 (Audited)

iii. Dividend Details

Unclaimed dividends up to financial year 1997-98 have been transferred to the General Revenue Account of the Central Government and for the financial years 1997-98 to 2013-14 to Investor Education and Protection Fund constituted by the Central Government. Details of unclaimed dividend as on March 31, 2022 are given hereunder:

Period	Rate (%)	Date of declaration	Date of payment	Unclaimed dividend (₹)
2014-15	60	12-08-2015	08-09-2015	540,972.00
2015-16	60	11-08-2016	07-09-2016	541,302.00
2016-17	75	04-08-2017	01-09-2017	702,255.50
2017-18	90	13-08-2018	10-09-2018	620,451.00
2018-19	100	07-08-2019	04-09-2019	544,170.00
2019-20	125	21-09-2020	19-10-2020	562,478.00
2020-21	100	21-09-2021	19-10-2021	639,318.00

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
BSE Limited (BSE) - Phiroze Jeejeebhoy Towers, 25 th Floor, Dalal Street, Fort, Mumbai – 400 001.	522064
The National Stock Exchange of India Ltd. (NSE) - 5 th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	HONDA POWER

Listing fees for the year 2022 – 2023 has been paid to BSE and to NSE respectively.

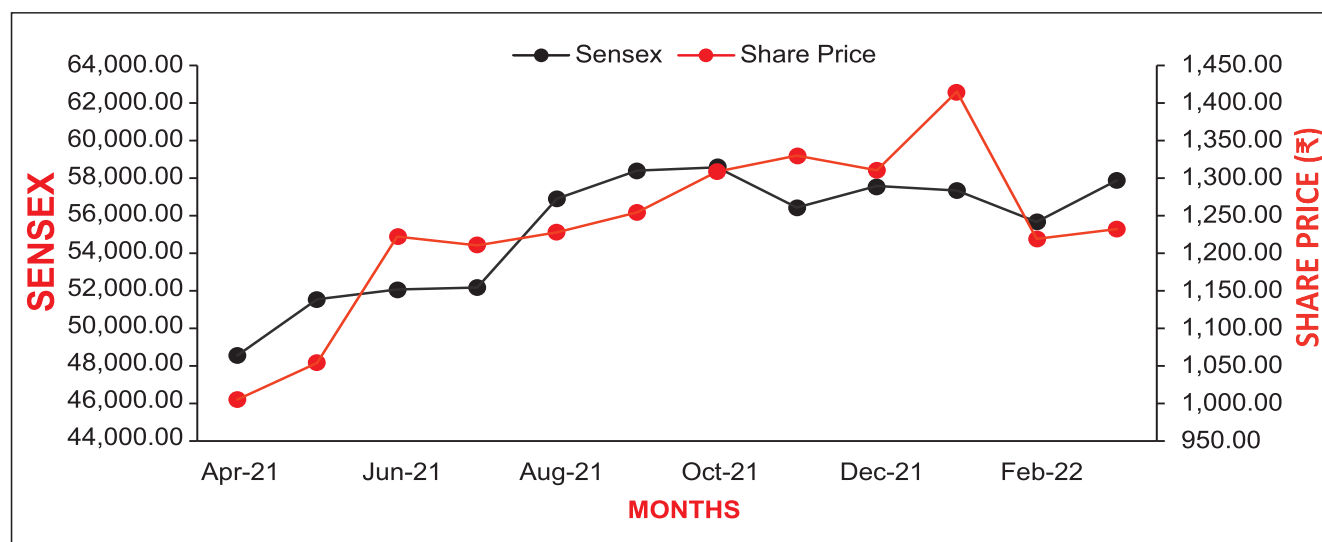
v. Stock Market Data

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

(Amount in ₹ /Share)

Month(s)	BSE			NSE		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
April-21	1,149.00	902.00	45,268	1,034.00	915.00	1,48,273
May-21	1120.00	975.15	18,163	1,111.00	980.00	1,96,815
June-21	1,388.10	1,037.00	86,644	1,388.30	1,039.10	8,47,086
July-21	1,365.00	1,185.15	41,967	1,370.00	1,186.95	3,04,571
August-21	1,311.30	1,122.05	46,552	1,322.00	1,121.50	3,56,502
September-21	1,307.45	1,160.00	26,763	1,307.95	1,165.05	2,56,911
October-21	1,440.00	1,202.00	78,963	1,444.00	1,200.10	6,81,929
November-21	1,467.20	1,278.00	25,350	1,469.50	1,281.55	2,10,204
December-21	1,380.00	1,273.50	9,263	1,385.00	1,272.05	93,843
January-22	1,497.80	1,259.45	31,589	1,517.70	1,256.00	2,22,997
February-22	1,427.05	1,116.00	14,830	1,435.25	1,140.00	1,36,512
March-22	1,400.00	1,127.05	10,546	1,317.00	1,124.00	85,206

vi. Performance Comparison: BSE Sensex Vs. Honda India Power Products' Share Price



vii. Registrar and Share Transfer Agent (RTA)

The Company has appointed M/s Mas Services Ltd. as its Registrar and Share Transfer Agent (RTA). Request for share transfer, transmission or transposition etc. and other communications regarding shares, dividends, change in address, etc. may be addressed to:

Mr. Narender Rastogi

Mas Services Limited

Unit: Honda India Power Products Limited

T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020

Ph:- 011-26387281/82/83, Fax:- 011-26387384

email:- investor@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 aforementioned address or to the Secretarial Department of the Company at the following address:

Honda India Power Products Limited,

Secretarial & Legal Department,

Plot No. 5, Sector 41 (Kasna),

Greater Noida Industrial Development Area,

Distt. Gautam Budh Nagar, U.P. -201 310.

Phone Nos: 0120-2590211, 2341055-59;

Email: ho.legal@hspp.com

The shares for transfer received 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 dematerialization 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 Regulation 40(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on yearly basis from a Company Secretary in practice and the same is being filed with the Stock Exchanges.

ix. Distribution of shareholdings as on March 31, 2022

No. of Shareholders	% to Total	Shareholding of Nominal Value of Rs	No. of Shares	Amount in Rs	% to Total
15,632	96.859	1 to 5,000	8,43,003	84,30,030	8.311
281	1.741	5,001 to 10,000	2,13,392	21,33,920	2.104
133	0.824	10,001 to 20,000	1,94,088	19,40,880	1.914
26	0.161	20,001 to 30,000	63,917	6,39,170	0.63
17	0.105	30,001 to 4,0000	59,458	5,94,580	0.586
10	0.062	40,001 to 50,000	47,095	4,70,950	0.464
15	0.093	50,001 to 1,00,000	1,02,234	10,22,340	1.008
25	0.155	1,00,001 and above	86,19,884	8,61,98,840	84.983
16139	100.00	TOTAL	1,01,43,071	1,01,43,0710	100.00

x. Pattern of shareholding as on March 31, 2022

Categories	No. of Shares	Shareholding (%)
Promoters	67,62,000	66.67
Mutual Funds	12,44,373	12.27
Foreign Portfolio Investors	46,299	0.46
Financial Institutions / Banks	800	0.01
Individuals	17,17,103	16.92
NBFC Registered with RBI	900	0.01
Bodies Corporate	2,19,049	2.16
NRIs, FIIs, OCBs etc.	94,837	0.93
IEPF	51,156	0.50
Clearing Members	6,554	0.06
Total	1,01,43,071	100

xi. Dematerialization of shares and liquidity

98.85 % of total equity capital is held in dematerialized form with NSDL and CDSL as on March 31, 2022. During the year 2021-22, 219 share certificates involving 11039 shares were dematerialized (including 60 share certificates consisting of 4378 shares transferred to IEPF in demat mode) 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 in the past and hence as on March 31, 2022, the Company does not have any outstanding GDRs / ADRs / warrants or any convertible instruments.

xiii. During the period under review, the Company neither dealt in any commodity hedging activities nor took any commodity price risk.

xiv. Plant location

Plot No. 5, Sector 41 (Kasna),
Greater Noida Industrial Development Area,
Distt. Gautam Budh Nagar, U.P. -201 310.

7. Disclosures

- (i) Related parties and transactions with them as required under Accounting Standard 18 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are furnished under Note No. 30 of 'Notes to Financial Statement' for the year ended March 31, 2022.
 - (ii) The above transactions have no potential conflict with the interest of the Company.
 - (iii) There has not been any non-compliance, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any other Statutory Authority, on any matter related to capital markets, during the last three years.
 - (iv) The Company promotes ethical behavior in all its business activities and has a whistle blower/vigil mechanism, in the name of Vigil Mechanism/ Business Ethics Proposal Line & Business Ethics (BEPL), in place. All the employees of the Company/other stakeholders i.e., dealers, suppliers etc., through this mechanism are free to report violation of laws, rules, regulations or unethical conduct of any employee of the Company directly to Chairperson of Audit Committee. No personnel have been denied access to the Committee.
 - (v) The Company has complied with all mandatory requirements as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 - (vi) The Company does not have any subsidiary Company.
 - (vii) The policy framed for the dealing with Related Party Transactions is displayed on the website of the Company at www.hondaindiapower.com/investors/policies.
 - (viii) The Company, during the Financial Year 2021-22, has not issued any debt instruments or has not taken fixed deposits or has not mobilized funds under any scheme or proposal. Hence, no credit ratings were obtained.
 - (ix) During the Financial Year 2021-22, no funds were raised through preferential allotment or on allotment of securities to qualified Institutions placements as specified under Regulation 32(7A).
 - x) During the year, the Board has accepted all such proposals as recommended by the Audit Committee of the Board.
 - xi) During the Financial Year 2021-22, the Company has paid a total fee of ₹ 52.40 lakhs to M/s Price Waterhouse Chartered Accountants, LLP, towards the audit fees and other services.
 - xii) The Company has not granted any type of loan and advance to any Company/Firm in which Directors are interested.
 - xiii) During the Financial Year 2021-22, there is no complaint has been filed by women employees of the Company under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
 - xiv) During the Financial Year 2021-22, the trading of the securities was not suspended for any reason whatsoever.
- 8.** The status of adoption of the non-mandatory requirements as prescribed in Regulation 27(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

Audit Qualification

The Company is in the regime of unqualified financial statements.

Reporting of Internal Auditor

The Internal Auditors, on a quarterly basis, report directly to the Audit Committee of the Company.

9. The Company has complied with all the applicable Corporate Governance requirements as specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with zero non-compliance.

10. Quarterly Compliance Report

The Company has been submitting the Compliance Report on Corporate Governance on quarterly basis to the Stock Exchanges within 21 days from the close of the relevant quarter. It is also regularly uploaded on the website of the Company at www.hondaindiapower.com.

11. Compliance with Code of Conduct

A declaration by the CMD and President & CEO that all Directors and Senior Management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the year ended March 31, 2022 is annexed as **Annexure -G**.

12. CEO/CFO Certification

In terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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- H**.

13. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Certificate is annexed as **Annexure-I**.

Annexure-F

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members of

Honda India Power Products Limited

409, DLF Tower-B, Jasola Commercial Complex,
New Delhi-110025

I have examined the relevant registers, records, forms, returns and disclosures received from the directors of Honda India Power Products Limited (CIN L40103DL2004PLC203950) having registered office at 409, DLF Tower-B, Jasola Commercial Complex, New Delhi-110025 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of the Director	DIN	Date of appointment in Company
1	Alka Marezban Bharucha	00114067	15/09/2014
2	Manoj Arora	00844279	01/03/2014
3	Vinay Mittal	05242535	01/04/2012
4	Ravi Prakash Mehrotra	06823899	31/03/2020
5	Takahiro Ueda	08685990	01/02/2020
6	Noboru Sube	09269643	11/08/2021

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Saryu Munjal & Associates,
Company Secretaries

Sd/-

Saryu Munjal
(Proprietor)

M. No. A34161;

C.P. No.: 23014

UDIN: A034161D000391089

Date: May 25, 2022

Place: Karnal

CERTIFICATE AND DECLARATION

I, Takahiro Ueda, in my capacity as CMD and President & CEO of Honda India Power Products Limited do hereby confirm and declare that as stipulated under Regulation 34(3) read with Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the best of my knowledge and belief, Members of the Board of Directors and Senior Management personnel of the Company have affirmed compliance, as on March 31, 2022, with the provisions of Code of Conduct as adopted by the Company.

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 and Senior Management.

For Honda India Power Products Limited

Sd/-

Takahiro Ueda

CMD and President & CEO

DIN : 08685990

Date: May 16, 2022

Place: Greater Noida

Annexure – H to the Board's Report**CERTIFICATE**

We, Takahiro Ueda, CMD and President & CEO and Vinay Mittal, Whole Time Director and Chief Financial Officer of Honda India Power Products Limited hereby declare and confirm-

- A. That we have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 2. 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. That 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 in violation of the Company's Code of Conduct.
- C. That we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of 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 such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. That we have indicated to the Auditors and the Audit Committee:
1. significant changes in internal control over financial reporting during the year;
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. 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 Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Honda India Power Products Limited

Sd/-

Vinay Mittal

WTD & CFO

DIN : 05242535

Sd/-

Takahiro Ueda

CMD and President & CEO

DIN : 08685990

Date : May 28, 2022

Place : Greater Noida

Annexure-I**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members

Honda India Power Products Limited

- I have examined the compliance of conditions of Corporate Governance by Honda India Power Products Limited ("the Company") for the year ended March 31, 2022 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- 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 all the conditions of Corporate Governance as stipulated in aforementioned Listing Regulations.
- 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.

**For Saryu Munjal & Associates,
Company Secretaries**

Sd/-

Saryu Munjal (Proprietor)

M. No. A34161;

C.P. No.: 23014

UDIN: A034161D000371344

Date: May 23, 2022

Place: Karnal

Business Responsibility Report for the Financial Year 2021-22

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Honda India Power Products Limited ('the Company') recognizes its role as a corporate citizen and endeavors to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its Customers, Government and others. Over all, the Company strives for holistic growth of its business, welfare and prosperity of all of its Stakeholders. The Company strives to achieve all three aspects of sustainability i.e. economic, environmental and social along with ethics and good governance practices.

Your Company presents its Business Responsibility Report (BRR) for the Financial Year 2021-22, in line with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) and the BRR requirement of the Listing Regulations. This Report gives a brief on the Business Responsibility performance of the Company during the year under review.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

Sl. No.	Particulars	Company Information
1	Corporate Identity Number (CIN) of the Company	L40103DL2004PLC203950
2	Name of the Company	Honda India Power Products Limited
3	Registered address	409, DLF Tower B, Jasola Commercial Complex, New Delhi - 110025.
4	Website	www.hondaindiapower.com
5	E-mail id	ho.legal@hspp.com
6	Financial Year	2021-22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	Manufacturing of Electrical equipment, General Purpose and Special Purpose Machinery & equipment, Transport equipment (C 10).
8	List three key products/services that the Company manufactures/ provides (as in balance sheet)	Portable Generators, General Purpose Engines & Water Pumps.
9	Total number of locations where business activity is undertaken by the Company - Number of International Locations : - Number of National Locations :	35 17
10	Markets served by the Company – Local/State/National/International	The Company serves the Local, State, National & International markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

Sl. No.	Particulars	Company information
1	Paid up Capital as on March 31, 2022	₹ 10,14,30,710
2	Total Turnover	₹ 1,15,629 Lakh
3	Total Profit After Taxes	₹ 7,453 Lakh
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	Company spent ₹ 170 Lakh on CSR activity during Financial Year 2021-22. This was 2% of the average net profits of the Company for last three Financial Year.
5	List of activities in which expenditure in 4 above has been incurred	1. Medical facility in the interior villages of Greater Noida, Uttar Pradesh through Mobile Healthcare Units. 2. Contributing to education (basic infrastructure) across factory location in Greater Noida.

SECTION C: OTHER DETAILS

Sl. No.	Particulars	Company Information
1.	Does the Company have any Subsidiary Company/ Companies?	No
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the Parent Company? If yes, then indicate the number of such Subsidiary Company(s)	N.A.
3.	Do any other entity/entities (e.g. Suppliers, Distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities?	Company's Suppliers and Distributors are not involved in our BR initiatives.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

The Corporate Social Responsibility (CSR) Committee is responsible for BR activities of the Company. The composition of CSR Committee is mentioned below:

Sl. No.	Name	Designation	DIN
1	Mr. Takahiro Ueda	CMD and President & CEO	08685990
2	Mr. Ravi Prakash Mehrotra	Independent Director	06823899
3	Mr. Vinay Mittal	Whole Time Director & CFO	05242535

List of Principles

Principle 1:	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2:	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3:	Businesses should promote the well-being of all employees.
Principle 4:	Businesses should respect the interests of and be responsive towards all Stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
Principle 5:	Businesses should respect and promote Human Rights.
Principle 6:	Businesses should respect, protect and make efforts to restore the environment.
Principle 7:	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8:	Businesses should support inclusive growth and equitable development.
Principle 9:	Businesses should engage with and provide value to their Customers and Consumers in a responsible manner.

Principle-wise (as per NVGs) BR Policy/Policies

Principles to assess compliance with Social, Environmental and Economic Responsibilities of the Company

P1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

- Honda Code of conduct
- Vigil Mechanism/ Business Ethics Policy
- Business Ethics Policy/ Anti-Bribery Policy
- Policy for Determining Materiality of Events and Information
- Code of Conduct for Prevention of Insider Trading
- Terms of Appointment of Independent Directors
- Policy and Criteria for appointment Board of Directors.

P2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

- Environmental Policy
- Quality Policy

P3: Businesses should promote the well-being of all employees.

- Safety Policy
- Employee Welfare Policy
- Prevention of Sexual Harassment

P4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

- Corporate Social Responsibility Policy

P5: Businesses should respect and promote Human Rights.

- Diversity Policy
- Prevention of Sexual Harassment
- Honda Code of conduct

P6: Business should respect, protect, and make efforts to restore the environment.

- Environmental Policy

P7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

- Code of Conduct
- Vigil Mechanism/ Business Ethics Policy
- Anti-Bribery Policy

P8: Businesses should support inclusive growth and equitable development.

- Corporate Social Responsibility Policy
- Diversity Policy

P9: Businesses should engage with and provide value to their Customers and Consumers in a responsible manner.

- Your Company has an extensive Programme for engaging with its customer, handling customer grievance and improving customer experience through customer satisfaction survey.

(a) Details of compliance

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant Stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any National / International Standards? If yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the Policy been approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified Committee of the Board/ Director/ Official to oversee the implementation of the Policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the Policy to be viewed online: P1- www.hondaindiapower.com/investors/policies P2- Published on the intranet of the Company. P3- www.hondaindiapower.com/investors/policies P4- www.hondaindiapower.com/investors/policies P5- Published on the intranet of the Company. P6- Published on the intranet of the Company. P7- www.hondaindiapower.com/investors/policies P8- www.hondaindiapower.com/investors/policies P9- Published on the intranet of the Company.									
7	Has the Policy been formally communicated to all relevant internal and external Stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the Policy/ Policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the Policy/ Policies to address Stakeholders' grievances related to the Policy/ Policies?	Y	Y	Y	Y	Y	Y	Y	Y	Note 1
10	Has the Company carried out independent audit/ evaluation of the working of this Policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Note 1: Your Company has an extensive programme for engaging with its customer, handling customer grievance and improving customer experience through customer satisfaction survey.

If answer to the question at serial number 1 against any Principle is 'No' please explain why:	Not Applicable
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Governance related to BR

Sl. No.	Particulars	Information
1.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.	The BR performance is annually assessed and reviewed by the Board of Directors.
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this Report? How frequently it is published?	BRR for the F.Y. 2021-2022 is published on the Company's website and can be accessible at www.hondaindiapower.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

- Does the Policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?**

Policy relating to ethics, bribery and corruption covers, the Company, all Suppliers, Contractors and Vendors.

- How many Stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the Management? If so, provide details thereof.**

During Financial Year 2021-22, Company received 4 complaints from Investors and all these were resolved.

During the period under review, no complaint was received by the Internal Complaints Committee. One complaint related to ethics issue has been received by the Business Ethics Committee of the Company on March 30, 2022 and is under investigation on the date of this report.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFECYCLE

1. List up to 3 of your Products or Services whose design has incorporated social or environmental concerns, risks and/or opportunities.

Environmental and social concerns are an integral part of your Company's product development Policy. Aspects like raw material, energy, water and waste are taken into consideration during the product design and manufacturing process. As required, following are the three products whose design has incorporated environmental concerns:

- a. **Portable Generators**
- b. **Water Pumps**
- c. **General Purpose Engines**

Company has a Safety & Environmental Policy which assures the safety and environmental sustainability of the products, the material used in production as well as the manufacturing process deployed. All the products of the Company meet the environmental norms specified by the concerned Authorities wherever Company conducts its business.

2. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

Your Company adopts SMQCD procedure for selection of vendors and service providers. This ensures that all the services/inputs used by the Company for converting raw material into finished products is sourced from responsible third parties. Raw materials and other ancillary goods are procured by sustainable sourcing method only. We sourced around 90% by value of our raw materials by way of sustainable sourcing during the year.

3. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Your Company focuses on indigenization of components and local sourcing. A predominant section of the supplier base is located within a 100-kilometer radius of our manufacturing sites. The Company adheres to MSME Act 2006 while dealing with MSMEs. This helps in optimizing cost and reducing environmental footprint associated with logistics. It also creates employment opportunities for the local communities.

4. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste?

Your Company have put processes in place to minimise the generation of hazardous waste and its proper management and disposal. Plant operated by the Company has a closed-loop water recycling design to ensure minimal discharge of water. Aluminium and steel scrap generated during manufacturing process is recycled in clean and efficient manner and energy generated from recycling is utilised for internal air conditioning process inside the factory.

Your Company is dedicated towards reducing its energy footprint, with energy saving initiatives being regularly undertaken at manufacturing site.

Your Company has established a CO₂ reduction activity with the guidance of Asian Honda Motor Co. Ltd. Thailand to reduce electricity and fuel wastage. Your Company had set up the target of 1% reduction of CO₂ emission from the years 2012~2021. However, considering the global target of 0% emission by 2050, your Company has revised the said target to more than 1%. For this, reduction activities are being carried out with the suppliers in the field of electricity, logistics & machinery. The data is also being checked and verified annually by the Asian Honda Motor Co. Ltd., Thailand.

Your Company under EPR (Extended Producer Responsibility) initiative, engaged with various waste agencies, for end-to-end management of plastic waste.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

1. Please indicate the Total number of Employees, Employees hired on Temporary/Contractual/Casual basis, Number of Permanent Women Employees and number of Permanent Employees with disabilities.

A committed and productive workforce is the backbone of the Company. As on March 31, 2022, the total workforce with the Company was 1409. Out of this, we have 643 HR Employees hired on Temporary/Contractual/Casual basis, 44 Permanent Women Employees, and 1 Permanent Employee with disabilities.

2. Do you have an Employee Association that is recognized by Management? What percentage of your Permanent Employees is Members of this recognized Employee Association?

Your Company do not have any Employee Association. We strive to be a Company committed to practicing fairness and sincerity with respect to rights of its Associates. Your Company follows all statutory requirements and communicate regularly with all its Employees.

3. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year.

Sl. No.	Category	No. of complaints filed during the Financial Year	No. of complaints pending as on end of the Financial Year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	0	0
3.	Discriminatory employment	0	0

4. What percentage of your under mentioned Employees were given safety & skill up-gradation training in the last year?
- Permanent Employees
 - Permanent Women Employees
 - Casual/Temporary/Contractual Employees
 - Employees with Disabilities

The Company provides regular trainings to its Employees for the upgradation of their skills and knowledge, and safety related issues. Training is provided by in-house experts and external agencies according to an annual calendar. During the year, All the employees of the Company, and detailed in point no. a to d above, were imparted training on safety and skill upgradation.

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALISED

1. Has the Company mapped its internal and external Stakeholders?

Your Company has identified internal and external Stakeholders and they are classified into six broad categories:

- Employees and their families,
 - Shareholders and Investors,
 - Local Community and Society,
 - Environment and Regulatory Authorities,
 - Dealer, Suppliers and other business partners and
 - Customers
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized Stakeholders?
- Your Company has identified following two categories of Stakeholders as disadvantaged, vulnerable and marginalized:
- Certain sections of local Community around our areas of operation and
 - Socio-economically disadvantaged sections of the society.
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized Stakeholders? If so, provide details thereof,

In line with our Corporate Social Responsibility Policy, we have identified broad areas of intervention for the local communities. To have the larger impact of the Company's initiatives towards this direction, the Company is making efforts to strengthen the education and providing free mobile medical facility in the interior villages of Greater Noida, Uttar Pradesh.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Does the policy of the Company on Human Rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Your Company fully adheres to globally recognized principles of Human Rights. In addition to this, Code of Conduct of the Company upholds the principles of Human Rights and fair treatment. The principles of Human Rights are followed in the same spirit within as well as outside the organization when engaging with business partners.

In line with our commitment, we have laid down policies/codes like Honda Code of Conduct Policy on Prevention of Sexual Harassment, Employee Welfare Policies, CSR Policy, etc.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During Financial Year 2021-22, Company received 4 complaints from investors and all these were resolved.

During the period under review, no complaint was received by the Internal Complaints Committee and Business Ethics Committee of the Company.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. Does the policy relate to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

Your Company's Environment Policy showcases commitment to implement initiatives related to resource efficiency, cleaner production, and waste reduction and management, awareness generation and training of employees on environmental issues. The Company is encouraging and supporting its major suppliers to implement robust environmental practices across their operations, resulting in reduction of CO₂ emission.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, please give hyperlink for webpage.

Company is taking continuous efforts for the conservation of natural resources in manufacturing units and shop floors with its various strategies/ initiatives. Honda has the vision of zero-emission by 2050 and to achieve the same your Company has the global target to reduce global warming by reducing more than 1% CO₂ Emissions. To promote the same, steps have been taken to reward the suppliers for the least CO₂ emission at the Annual Supplier Convention of the Company. However, to maintain confidentiality, the Strategies and Initiatives adopted by the Company are not published on public domain.

3. Does the Company identify and assess potential environmental risks?

The potential environmental risks are identified internally and mitigation measures are undertaken.

4. Does the Company have any project related to Clean Development Mechanism? If Yes, whether any environmental compliance report is filed?

In furtherance to the Company's vision of "Blue Skies for our Children", various initiatives were undertaken to make sure that the processes being adopted by the Company do not impact the environment negatively. Continuous efforts have been made to reduce emissions in the supply Chain of the Company. Your Company has also laid down procedures to ensure statutory compliance with the Central Pollution Control Board/ State Pollution Control Board on emissions, air and noise quality, and waste generation. Your Company also ensure proper segregation, recycling and disposal of hazardous and non-hazardous waste generated at the plant of the Company.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? If yes, please give hyperlink for web page etc.

Your Company has internally adopted clean energy and waste recycling initiative and regularly determines the techniques to improve the efficiency and effectiveness of the initiative. Under the ambit of this initiative, waste generated during the manufacturing operations is recycled in safe and responsible manner and energy generated during such activity is utilized in cooling mechanism in the plant of your Company. Information regarding such activity is not disseminated on public domain to maintain confidentiality. A feasibility study for installation of solar power plant is under process and is planned to be installed during the year 2023-24.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?

During the year, all emissions and waste generated by your Company were within the permissible limits prescribed by CPCB and UP Pollution Control Board (UPPCB).

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending as on end of Financial Year.

During the year your Company has not received any Show Cause/ Legal Notices from CPCB/SPCB. However, during the year 2018-19 one Show Cause Notice from UPPCB was received by the Company which is being contested by your Company in Hon'ble Supreme Court.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. Is your Company a member of any Trade and Chamber or Association?

NO

2. Have you advocated/lobbied through above Associations for the advancement or improvement of public good?

Not applicable

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8?

Your Company has a clearly articulated Corporate Social Responsibility Policy in line with the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 made there under and amended from time to time. Our broad areas of intervention and details on initiatives implemented in Financial Year 2021-22 are described under Principle 4.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/Government structures/any other organization?

Your Company undertakes the Corporate Social Responsibility (CSR) activity through Honda India Foundation. The Foundation is responsible for driving the Corporate Social Responsibility agenda and oversees a host of flagship programs and initiatives. Its long-term, sustainable programs ensure lasting positive impact on the people. During the Financial Year 2021-22, the Company earmarked ₹ 170 to be spent on ongoing programmes for healthcare and primary education of the villagers surrounding the plant location.

3. Have you done any impact assessment of your initiative?

Your Company abides by the provisions of Companies (Corporate Social Responsibility) Rules, 2014 for Impact Assessment of its CSR project and contribution. Since your Company does not fall in that purview, no impact assessment is foreseen of the progress and impact of its initiatives.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken? Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

During the year 2021-22 your Company has not contributed directly to any Community development initiative.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. What percentage of Customer complaints/Consumer cases are pending as on the end of Financial Year?

Your Company has a formal and well-defined process in place for addressing customer grievances. Complaints filed by Customer through online platform or other service channels are thoroughly analysed to provide timely resolutions till Customer's satisfaction. Your Company uses a combination of channels, which includes product labels, websites, customer care phone numbers and/or consumer leaflets to communicate openly with its consumers. During the year 2021-22, 3082 Customer complaints were received, out of which 3011 complaints were duly resolved. 7 Consumer cases are pending as on end of Financial Year.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

Yes, over and above the information required under the applicable statutes, rules and regulations. The dealers orient the customers on features and performance of the product during pre-sale interaction. This is further supported by the product literature, including safety information provided to the customers in the owner's manual of the product.

3. Is there any case filed by any Stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year?

During the Financial Year 2021-22 no case of unfair trade practices, irresponsible advertising and/or anti-competitive behaviour was received by the Company.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

During the year under review, CSI (Customer Satisfaction Index) survey for dealers was conducted to ascertain the satisfaction level among dealers for internal improvement purposes. Telecom Survey was also conducted for Eastern Region, score of which was well above the targeted level. Besides this, your Company also undertook the Benchmark – CSI through 3rd party surveyor to understand the Customers' satisfaction level for the products of the Company vis a vis other brands providing similar products in India. The B-CSI survey was conducted for the first time in Asia-Oceania region and we are proud to state that your Company secured leading position in its two product categories i.e. Water Pumps and Tillers.

For Honda India Power Products Limited

Date: May 28, 2022

Place: New Delhi

Sd/-
Takahiro Ueda
CMD and President & CEO
DIN: 08685990

Annexure-K to Boards' Report

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	CEO	27x
		Director	3x
		CFO	19x
		CS	2x
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year;	CEO	Japanese expats, salary not increased
		Director	Japanese expats, salary not increased
		CFO	9%
		CS	12%
3	The percentage increase in the median remuneration of the employees in the Financial Year	The median remuneration of the employees in the financial year was increased by 7.58%. The calculation of percentage increase in median remuneration is done based on the comparable employees. For this we have excluded employees who were not eligible for any increment.	
4	The number of permanent employees on the rolls of the Company	The number of employees on the rolls of the Company including Japanese expats were 764.	
5	Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increase made in the salaries of Employees other than managerial personnel, in the financial year was 9%. Increase in salaries of managerial personnel was also made at the same percentage. The average increase every year is an outcome of the performance of Company and Company's reward philosophy.	
6	Affirmation that remuneration is as per the remuneration policy of the Company	It is affirmed that remuneration is as per the remuneration policy of the Company	

Independent Auditor's Report

To the Members of Honda India Power Products Limited (formerly known as Honda Siel Power Products Limited)

Report on the Audit of the Financial statements

Opinion

1. We have audited the accompanying financial statements of Honda India Power Products Limited (formerly known as Honda Siel Power Products Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

4. "We draw attention to Note 31(vi) regarding uncertainty arising out of the possible non-compliance of environmental legislation in the form of enhanced emission levels, over and above the declaration made by the Company or above the permissible levels in the destination countries, with regard to certain product being manufactured and exported by the Company. In view of pending assessment as mentioned in the aforesaid note, the ultimate outcome of the matter is presently indeterminable. Our opinion is not modified in respect of this matter."

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>(Refer note 16 to the Ind AS financial statements) The Company recognizes its revenue based on Ind-AS 115 "Revenue from Contracts with Customers"</p> <p>Management uses judgement in respect of matters such as identification of performance obligations; allocation of consideration to identified performance obligations and recognition of revenue over a period of time or at a point in time based on timing when control is transferred to customer.</p> <p>We focused on this area as revenue is required to be recognized in accordance with the terms of the customer contracts, which involves management judgements as described above and thus there is an inherent risk of material misstatement</p>	<p>Our testing of revenue transactions was designed to cover certain customer contracts on a sample basis. Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Understanding, evaluating the design and testing the operating effectiveness of controls over revenue recognition. • Assessing appropriateness of management's judgements in accounting for identified contracts such as: <ul style="list-style-type: none"> - identification of performance obligation and allocation of consideration to identified performance obligation; - evaluating the contract terms for assessment of the timing of transfer of control to the customer to assess whether revenue is recognized appropriately over a period of time or at a point in time (as the case may be) based on timing when control is transferred to customer; - testing whether the revenue recognition is in line with the terms of customer contracts and the transfer of control; and - evaluating adequacy of the presentation and disclosures. <p>Based on the above stated procedures, no significant exceptions were noted in revenue recognition including those relating to presentation and disclosures as required by Ind AS 115.</p>

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of its pending litigations in its financial statements – Refer Note 31 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts as at March 31, 2022.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 39 to the financial statements);
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the accounts, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 39 to the financial statements); and
 - (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number:012754N/N500016

Sd/-

Abhishek Rara

Partner

Membership Number: 077779

UDIN: 22077779AJUAZF2211

Place: New Delhi

Date: May 28, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Honda India Power Products Limited (formerly known as Honda Siel Power Products Limited) on the financial statements for the year ended March 31, 2022

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Honda India Power Products Limited (formerly known as Honda Siel Power Products Limited) ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number:012754N/N500016

Sd/-

Abhishek Rara

Partner

Membership Number: 077779

UDIN: 22077779AJUAZF2211

Place: New Delhi

Date: May 28, 2022

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Honda India Power Products Limited (formerly known as Honda Siel Power Products Limited) on the financial statements as of and for the year ended March 31, 2022

- i.(a)(A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 on Property, Plant and Equipment to the financial statements, are held in the name of the Company.
- (d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory including stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has not been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate from banks and financial institutions on the basis of security of current assets and accordingly, the question of our commenting on whether the quarterly returns or statements are in agreement with the unaudited books of account of the Company does not arise.
- iii. (a) The Company has not made any investments, granted secured/ unsecured loans/advances in nature of loans, or stood guarantee, or provided security to any parties. Therefore, the reporting under clause 3(iii), (iii)(a), (iii)(b), (iii)(c), (iii)(d), (iii)(e) and (iii)(f) of the Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, except for dues in respect of provident fund, the Company is regular in depositing undisputed statutory dues, including employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of provident fund outstanding as at March 31, 2022, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Period to which the amount relates	Due date	Date of Payment	Remarks, if any
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	4.8	FY 2018-19	April 15, 2019	Not Paid	

Also, refer note 31 to the financial statements regarding management's assessment on certain matters relating to provident fund.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of goods and services tax and duty of excise which have not been deposited on account of any dispute. The particulars of dues of Income Tax, Sales Tax and duty of Customs as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ In lakhs)	Amount deposited under protest (₹ In lakhs)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Customs Act, 1962	Customs duty	49.67	49.67	2011-14	Customs Excise & Service Tax Appellate Tribunal, Chennai	
Customs Act, 1962	Customs duty	7.11	7.11	2012-14	Commissioner Of Customs (Appeals), Mumbai	
Customs Act, 1962	Customs duty	22.76	22.76	2014-15	Customs Excise & Service Tax Appellate Tribunal, Chennai	

Name of the statute	Nature of dues	Amount (₹ In lakhs)	Amount deposited under protest (₹ In lakhs)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Customs Act, 1962	Customs duty	1.36	1.36	2015-16	Commissioner Of Customs (Appeals), Chennai	
Customs Act, 1962	Customs duty	11.06	0.83	2019-20	Customs Excise & Service Tax Appellate Tribunal, Chennai	
Customs Act, 1962	Customs duty	1.02	0.27	2018-19	Customs Excise & Service Tax Appellate Tribunal, Chennai	
Various Sales Tax Acts	Sales Tax	0.72	0.72	1995-1996	Assistant Commissioner, Delhi	
Various Sales Tax Acts	Sales Tax	0.27	0.27	2005-2006	Joint Commissioner (Appeals), Noida	
Various Sales Tax Acts	Sales Tax	3.55	0.89	1999-2000	High Court, Uttaranchal	
Various Sales Tax Acts	Sales Tax	21.12	-	2000-01	WBCT Appellate & revision board	
Various Sales Tax Acts	Sales Tax	0.15	-	2002-03	Deputy Commissioner Commercial Taxes	
Various Sales Tax Acts	Sales Tax	1.19	-	2003-04	Deputy Commissioner (Appeals), Bhopal	
Various Sales Tax Acts	Sales Tax	5.96	-	2004-05	Joint Commissioner (Appeals), Rudrapur	
Various Sales Tax Acts	Sales Tax	4.67	1.48	2007-08	Deputy Commissioner (Appeal), Earnakulam	
Various Sales Tax Acts	Sales Tax	1.78	0.18	2007-08	Sales Tax Appellate Authority, Bhopal	
Various Sales Tax Acts	Sales Tax	1.93	0.71	2008-09	Deputy Commissioner (Appeals), Earnakulam	
Various Sales Tax Acts	Sales Tax	0.50	0.50	2009-10	Additional Commissioner (Appeal), Uttar Pradesh	
Various Sales Tax Acts	Sales Tax	22.83	-	2009-10	Deputy Commissioner (Appeals), Earnakulam	
Various Sales Tax Acts	Sales Tax	0.74	-	2012-13	Deputy Commissioner (Appeals)	
Various Sales Tax Acts	Sales Tax	63.49	20.32	2011-12	Deputy Commissioner (Appeals), Raipur	
Various Sales Tax Acts	Sales Tax	22.43	7.19	2012-13	Deputy Commissioner (Appeals), Raipur	
Various Sales Tax Acts	Sales Tax	15.05	-	2015-16 & 2016-17	Deputy Commissioner, Ranchi	
Various Sales Tax Acts	Sales Tax	22.38	15.05	2015-16	Deputy Commissioner, Ranchi	
Various Sales Tax Acts	Sales Tax	46.60	9.42	2016-17	Deputy Commissioner, Ranchi	
Various Sales Tax Acts	Sales Tax	15.43	6.79	2010-11 & 2011-12	Deputy Commissioner, Guwahati	
Various Sales Tax Acts	Sales Tax	9.61	-	2016-17	Deputy Commissioner, Ranchi	
Various Sales Tax Acts	Sales Tax	0.42	-	2017-18	Deputy Commissioner, Ranchi	
Various Sales Tax Acts	Sales Tax	28.77	-	2017-18	Assistant Commissioner, Uttar Pradesh	
Income-tax Act, 1961	Income Tax	56.89	20	AY 1996-97	Commissioner of Income Tax (Appeals)	
Income-tax Act, 1961	Income Tax	30.9	-	AY 2005-06	Commissioner of Income Tax (Appeals)	
Income-tax Act, 1961	Income Tax	19	-	AY 2007-08	Commissioner of Income Tax (Appeals)	
Income-tax Act, 1961	Income Tax	48	42	AY 2011-12	Commissioner of Income Tax (Appeals)	
Income-tax Act, 1961	Income Tax	1,543	1,021	AY 2013-14	Commissioner of Income Tax (Appeals)	
Income-tax Act, 1961	Income Tax	1,999	400	AY 2014-15	Commissioner of Income Tax (Appeals)	
Income-tax Act, 1961	Income Tax	635	127	AY 2015-16	Commissioner of Income Tax (Appeals)	
Income-tax Act, 1961	Income Tax	1,697	327	AY 2016-17	Commissioner of Income Tax (Appeals)	
Income-tax Act, 1961	Income Tax	1,960	-	AY 2017-18	Dispute Resolution Panel Income Tax	
Income-tax Act, 1961	Income Tax	2,084	-	AY 2018-19	Dispute Resolution Panel Income Tax	

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix.(a) As the Company did not have any loans or other borrowings from any lender during the year, the reporting under clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, the Company has not raised funds on short term basis.
- (e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.
- x.(a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaint during the year, which have been considered by us for any bearing on our audit and reporting.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 34 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
- (b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing project(s) to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. Also refer Note 23b to the financial statements.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number:012754N/N500016

Sd/-

Abhishek Rara

Partner

Membership Number: 077779

UDIN: 22077779AJUAZF2211

Place: New Delhi

Date: May 28, 2022

Balance sheet as at March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

	Notes	March 31, 2022	March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	8,065	8,548
Right-of-use assets	3(a)	485	514
Capital work-in-progress	3(b)	1,217	247
Intangible assets	4	116	67
Intangible assets under development	4(a)	52	-
Financial assets			
i. Other financial assets	5(e)	7,859	3,772
Deferred tax assets (net)	6	711	613
Non-current tax assets (net)	7	4,483	4,416
Other non-current assets	8	775	1,026
Total non-current assets		23,763	19,203
Current assets			
Inventories	9	17,639	16,049
Financial assets			
i. Trade receivables	5(a)	8,711	8,230
ii. Cash and cash equivalents	5(b)	12,188	8,026
iii. Other bank balances	5(c)	15,545	5,570
iv. Loans	5(d)	-	16,000
v. Other financial assets	5(e)	194	194
Other current assets	10	8,105	5,825
Total current assets		62,382	59,894
Total assets		86,145	79,097
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	1,014	1,014
Other equity			
Reserves & Surplus	11(b)	65,974	59,537
Total equity		66,988	60,551
LIABILITIES			
Non-current liabilities			
Financial liability			
Lease Liabilities	3(a)	114	137
Provisions	14	72	68
Total non-current liabilities		186	205
Current liabilities			
Financial liabilities			
i. Trade payables	12(a)		
-Total outstanding dues to micro and small enterprises		1,364	1,074
-Total outstanding dues to other than micro and small enterprises		10,527	10,377
ii. Lease Liabilities	3(a)	9	7
iii. Other financial liabilities	12(b)	2,424	1,458
Contract Liabilities	13	1,224	2,252
Provisions	14	1,703	1,687
Other current liabilities	15	1,720	1,486
Total current liabilities		18,971	18,341
Total liabilities		19,157	18,546
Total equity and liabilities		86,145	79,097

The above balance sheet should be read in conjunction with the accompanying notes.
This is the balance sheet referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No. 012754N/ N500016

For and on behalf of the Board of Directors of
Honda India Power Products Limited
(formerly known as Honda Siel Power Products Limited)

Abhishek Rara
Partner
Membership No. 077779

Sunita Ganjoo
Company Secretary
Membership No. : 33198

Takahiro Ueda
Manoj Arora
Ravi Prakash Mehrotra
Vinay Mittal

DIN : 08685990
DIN : 00844279
DIN : 06823899
DIN : 05242535

CMD and President & CEO
Director
Director
Whole time director & CFO

Place : New Delhi
Date : May 28, 2022

Statement of profit and loss for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations	16	115,629	93,894
Other income	17	1,684	1,453
Total income		117,313	95,347
Expenses			
Cost of materials consumed	18	65,165	49,616
Purchases of stock in trade		9,472	5,681
Changes in inventories of finished goods, work in progress and stock-in-trade	19	(1,440)	5,504
Employee benefits expense	20	11,740	10,740
Finance costs	21	48	28
Depreciation and amortisation expense	22	1,852	2,026
Other expenses	23	20,470	15,138
Total expenses		107,307	88,733
Profit before tax		10,006	6,614
Tax expense	24		
- Current tax		2,650	1,826
- Deferred tax		(97)	(79)
Total tax expense		2,553	1,747
Profit for the year		7,453	4,867
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	25	(3)	(12)
Income tax relating to this item		1	3
Other comprehensive income for the year, net of tax		(2)	(9)
Total comprehensive income for the year		7,451	4,858
Earnings per equity share (face value of ₹ 10 each)			
	35		
Basic		73.48	47.99
Diluted		73.48	47.99

The above Statement of profit and loss should be read in conjunction with the accompanying notes.
This is the Statement of profit and loss referred to in our report of even date.

The above balance sheet should be read in conjunction with the accompanying notes.
This is the balance sheet referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No. 012754N/ N500016

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CMD and President & CEO
Director
Director
Whole time director & CFO

Place : New Delhi
Date : May 28, 2022

Statement of changes in equity for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

A Equity share capital

	Notes	Amount
As at April 1, 2020		1,014
Changes in equity share capital	11(a)	-
As at March 31, 2021		1,014
Changes in equity share capital	11(a)	-
As at March 31, 2022		1,014

B Other equity

	Reserves & surplus			Total
	Securities premium reserve	General reserve	Retained earnings	
Balance at April 1, 2020	396	12,087	43,464	55,947
Profit for the year	-	-	4,867	4,867
Other comprehensive income	-	-	(9)	(9)
Total comprehensive income for the year	-	-	4,858	4,858
Transactions with owners in their capacity as owners:				
Dividend paid	-	-	(1,268)	(1,268)
	-	-	(1,268)	(1,268)
Balance at March 31, 2021	396	12,087	47,054	59,537
Balance at April 1, 2021	396	12,087	47,054	59,537
Profit for the year	-	-	7,453	7,453
Other comprehensive income	-	-	(2)	(2)
Total comprehensive income for the year	-	-	7,451	7,451
Transactions with owners in their capacity as owners:				
Dividend paid	-	-	(1,014)	(1,014)
	-	-	(1,014)	(1,014)
Balance at March 31, 2022	396	12,087	53,491	65,974

The above statement of changes in equity should be read in conjunction with the accompanying notes.

This is the statement of changes in equity referred to in our report of even date.

The above balance sheet should be read in conjunction with the accompanying notes.

This is the balance sheet referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No. 012754N/ N500016

For and on behalf of the Board of Directors of
Honda India Power Products Limited
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CMD and President & CEO
Director
Director
Whole time director & CFO

Place : New Delhi
Date : May 28, 2022

Statement of cash flows for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	10,006	6,614
Adjustments for:		
Depreciation and amortisation expense	1,852	2,026
Net (gain)/loss on disposal of property, plant and equipment and intangible assets	(3)	(77)
Interest income on bank deposits and loan	(1,266)	(1,274)
Finance costs	48	28
Net unrealised exchange loss/(gain)	121	(15)
Provisions / liabilities written back to the extent no longer required	-	(14)
Allowance for doubtful advances	-	1
Provision created for slow moving inventory/(written back)	36	(66)
Operating profit before working capital changes	10,794	7,223
(Increase)/Decrease in trade receivables	(568)	(3,228)
(Increase)/Decrease in inventories	(1,625)	5,122
Increase/(Decrease) in trade payables	411	2,675
(Increase)/Decrease in other financial assets	(16)	19
(Increase)/Decrease in other non current assets	218	(58)
(Increase)/Decrease in other current assets	(2,280)	3,979
Increase/(Decrease) in provisions	18	160
Increase/ (Decrease) in other financial liabilities	249	(119)
Increase/ (Decrease) in contract liabilities	(1,028)	1,335
Increase/(Decrease) in other current liabilities	234	(116)
Cash generated from operations	6,407	16,992
Income taxes paid (net of refunds and interest received on Income tax refund)	(2,717)	(1,841)
Net cash inflow from operating activities - Total (A)	3,690	15,151
B. Cash flows from investing activities		
Payments for property, plant and equipment	(1,517)	(1,402)
Payments for intangibles	(150)	(74)
Proceeds from sale of property, plant and equipment	53	94
Loan to fellow subsidiary	-	(16,000)
Loan repayment from fellow subsidiary	16,000	16,000
Investment in fixed deposits	(24,012)	(10,063)
Proceeds from maturity of fixed deposits	9,993	918
Interest received on loans and fixed deposits	1,240	1,278
Net cash inflow/ (outflow) from investing activities - Total (B)	1,607	(9,249)
C. Cash flows from financing activities		
Dividend paid to company's shareholders	(1,014)	(1,268)
Interest Cost	(35)	(13)
Interest element of lease payments	(13)	(15)
Principal element of lease payments	(67)	(63)
Net cash outflow from financing activities - Total (C)	(1,129)	(1,359)
D. Net increase in cash and cash equivalents (A)+(B)+(C)	4,168	4,543
Cash and cash equivalents at the beginning of the year	8,026	3,463
Effects of exchange rate changes on cash and cash equivalents	(6)	20
Cash and cash equivalents at the end of the year	12,188	8,026
E. Non-cash financing and investing activities		
- Acquisition of right-of-use assets [Refer note 4(a)]	45	87
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following [Refer note 5(b)]		
Balances with banks	2,090	1,805
Deposits with maturity of less than three months	9,775	6,092
Cheques on hand	322	124
Cash on hand	1	5
Balances per statement of cash flows	12,188	8,026

Note

The other current assets include balance of ₹ 42 lakhs (Previous Year ₹ 40 lakhs) which is not available for the use by the Company.

The above statement of cash flows should be read in conjunction with the accompanying notes

This is the statement of cash flows referred to in our report of even date.

The above balance sheet should be read in conjunction with the accompanying notes.

This is the balance sheet referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No. 012754N/ N500016

Abhishek Rara
Partner
Membership No. 077779

Sunita Ganjoo
Company Secretary
Membership No. : 33198

For and on behalf of the Board of Directors of
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DIN : 08685990
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DIN : 06823899
DIN : 05242535

CMD and President & CEO
Director
Director
Whole time director & CFO

Place : New Delhi
Date : May 28, 2022

Notes to the financial statements for the year ended March 31, 2022

1. Company overview

Honda India Power Products Limited is a public company domiciled and headquartered in India. 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. The registered office of the Company is 409, DLF Tower B, Jasola Commercial Complex, New Delhi-110025 and Corporate Identification Number of the Company is L40103DL2004PLC203950.

Effective 2nd July 2020, the name of the Company has been changed from Honda Siel Power Products Limited to Honda India Power Products Limited.

2. Significant accounting policies

i) Basis of preparation of financial statements

(i) Compliance with Indian Accounting Standards

The financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified Under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities that are measured at fair value; and
- defined benefit plans - plan assets measured at fair value.

(iii) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the Company has changed the classification/presentation of security deposits, in the current year.

Security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The Company has reclassified comparative amounts to confirm with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarized below:

Balance Sheet	March 31, 2021 (as previously reported)	Increase/(Decrease)	March 31, 2021 (restated)
Loans (Current)	16,046	(46)	16,000
Loans (Non-Current)	103	(103)	-
Other financial assets (Current)	148	46	194
Other financial assets (Non-Current)	3,669	103	3,772

ii) Current – non-current classification

All assets and liabilities are classified into current and non-current as per the Company's normal operating cycle and other criteria as set out in the Schedule III to the Companies Act, 2013.

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.

Notes to the financial statements for the year ended March 31, 2022

iii) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment 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 costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Property, plant and equipment under construction are disclosed as capital work-in-progress.

Depreciation methods estimated useful lives and residual value.

Depreciation on Property, plant and equipment is provided on the straight-line method based on the estimated useful life of each asset as determined by the management. Depreciation for assets purchased / sold during the period is proportionately charged.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has aligned the depreciation rates based on the useful lives as specified in Part 'C' of Schedule II to the Act, except for the following assets, which are being depreciated based on the management's estimate of the useful life of property, plant and equipment. Such useful lives are lower than the lives as per Schedule II of the Act:

Block of Asset	Estimated life (Years) #
Plant and equipment (Dies/Jigs and fixtures)	5 years
Furniture and fixtures	8 years
Vehicles	5 years
Computers (Servers)	3 years

For these class of assets, based on internal technical evaluation, the management believes useful lives as given above best represent the period over which company expects to use these assets.

Freehold land is not depreciated. Leasehold land is amortised on a straight-line basis over the period of lease i.e. 90 years.

The assets useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Losses arising from retirement or gains or losses arising from disposal of assets are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss within other income.

iv) 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.

Amortisation methods and periods:

Intangible assets are amortised in the Statement of Profit and 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 comprise technical knowhow - model fee and computer software.

The amortization rates are as follows:

Block of Asset	Estimated life (Years)
Technical knowhow – Model fees	5 Years
Computer software	3 Years

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 of non-financial assets

Property, plant and equipment and Intangible assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Impairment losses are recognised in the

Notes to the financial statements for the year ended March 31, 2022

Statement of Profit and Loss. An impairment loss are reviewed for possible reversal at the end of each reporting period. 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 amortization 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 raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods 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.

Goods in transit are valued at purchase cost.

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

The Company operates the following post-employment schemes:

- (a) defined contribution plans such as superannuation fund; and
- (b) defined benefit plans such as gratuity, provident fund

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.

(ii) Employee's state insurance scheme

The Company's contribution paid / payable to State plans namely Employees State Insurance fund and Employees' Pension Scheme is recognized as an expense in the statement of profit and loss every year.

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 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 the 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. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Notes to the financial statements for the year ended March 31, 2022

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(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 and is determined annually based on an independent actuarial valuation report. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

Other long-term employee benefit obligations - 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 based on independent actuarial valuation using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

viii) Revenue recognition – Revenue from Contracts with Customers**Sale of goods**

The Company manufactures and sells a range of power products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted these standard products in accordance with the sales contract, or the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The timing of transfers of control varies depending on the terms of sale. For sale of goods to domestic customers, such transfer occurs when the products are delivered to dealers and for export sales when delivered to a carrier at the port of the seller.

Receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Measurement of revenue: Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed, as revenue are exclusive goods and services tax (GST) and inclusive amounts collected on behalf of third parties. A refund liability (sales incentive payable) is recognized for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

The Company accounts for volume discounts and pricing incentives (sales incentive) to customers as a reduction of revenue. The discounts/incentives are assessed based on its estimate of the customer's anticipated annual purchases. The Company recognises changes in the estimated amount of obligations for discounts/incentives in the period in which the change occurs. The discounts/incentives are passed on to the customer as a reduction of payments due from the customer, on actual basis.

The Company's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see note 14.

A contract liability is recognised on account of unsettled advances received from /due to customers.

Sale of services

Timing of recognition: 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 stage of completion is assessed based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).

Measurement of revenue: The amount recognised as revenue is exclusive of GST and is net of returns, trade discounts and volume rebates.

Sale of goods – service coupons (deferred revenue)

Timing of recognition: In arrangements for sale of goods, the Company provides after-sales service coupons to the end customers which entitle them to avail free of cost maintenance services. When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The arrangements generally meet the criteria for considering sale of goods and related services as separately identifiable components. Revenue related to the service coupons is deferred and recognised when the coupons are redeemed or expired whichever is earlier.

Measurement of revenue: The amount of service coupon revenue is based on the number of coupons redeemed or expired relative to the total number of coupons expected to be redeemed or expired.

A contract liability is recognised on account of unexpired service coupons.

Notes to the financial statements for the year ended March 31, 2022

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. Consequently, the Company does not adjust any of the transaction prices for the time value of money.

Other income

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Export benefits under various schemes notified by the government are recognized on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

ix) Financial assets

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows

For assets measured at fair value, gains and losses will be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit and loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the asset's cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses in other expenses.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

Notes to the financial statements for the year ended March 31, 2022

A financial asset is derecognised only when:

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

x) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

xi) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

xii) Trade receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing component, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method, less loss allowance.

xiii) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Transaction and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates 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 on a net basis.

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

xiv) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be estimated reliably.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Warranty costs

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

xv) 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.

xvi) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

Notes to the financial statements for the year ended March 31, 2022

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of reporting period in India where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

xvii) Leases

As a lessee

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. For leases with reasonably similar characteristics, the Company may adopt the incremental borrowing rate for the entire portfolio of leases.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re measurement of the lease liability. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Payments associated with short-term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

Notes to the financial statements for the year ended March 31, 2022**xviii) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

xix) Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as being the chief operating decision maker assess the financial performance and position of the Company and make strategic decisions. The Company is primarily engaged in the business of “manufacturing and marketing of portable gensets, water pumps, general purpose engines, lawn mower’s, brush cutters and tillers”. However, in the context of Indian Accounting Standard 108 – Operating Segments, these are considered to constitute single reportable segment.

xx) Earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year. Refer note 35 of financial statements.

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to consider:

The after-income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares, except where the results would be anti-dilutive.

xxi) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

xxii) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

xxiii) Royalty

The Company pays / accrues for royalty in accordance with the relevant license agreement.

xxiv) Rounding of amounts

All amounts in Indian Rupees disclosed in the financial statements and notes thereof have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company’s accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements concerning the future, and other sources of estimation uncertainty, besides impact of COVID-19, at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future are:

- Estimated useful life of property, plant and equipment and intangible asset – The annual depreciation and amortisation charge is sensitive to the estimated lives allocated to each type of asset. Assets lives are assessed annually and changed where necessary to reflect current circumstances considering technological change and physical conditions of the assets concerned.
- Revenue recognition - In revenue arrangements where more than one good or service is provided to the customer, customer consideration is allocated between the goods and services using fair value principles. The fair values determined for deliverables may impact the timing of the recognition of revenue. The Company generally determines the fair value of individual elements based on a cost plus a reasonable margin. Revision to the estimates of these fair values may significantly affect the allocation of total arrangement consideration among the individual elements.
- The Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company’s operations taking into account the location of the underlying asset and the availability of suitable alternatives. The discount rate is generally based on the incremental borrowing rate, to determine the incremental borrowing rate, the Company uses recent third-party financing options received by the Company, adjusted to lease term etc., specific to the lease being evaluated.
- Estimation of defined benefit obligation – Note 25

Notes to the financial statements for the year ended March 31, 2022

- Estimation of provision for warranty claims – Note 14
- Estimation of provision for inventory obsolescence – Note 9

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Note 3: Property, plant and equipment

	Freehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computers	Total	Capital work-in-progress (CWIP)
Year ended March 31, 2021									
Gross carrying amount									
Opening gross carrying amount	117	3,742	10,557	104	530	178	234	15,462	189
Additions (including transfers from CWIP)	-	85	955	17	74	59	60	1,250	1,308
Disposals	-	-	(1,003)	(4)	(183)	(16)	(4)	(1,210)	(1,250)
Closing gross carrying amount	117	3,827	10,509	117	421	221	290	15,502	247
Accumulated depreciation									
Opening accumulated depreciation	-	567	5,330	70	104	78	121	6,270	-
Depreciation charge during the year	-	150	1,467	11	138	38	73	1,877	-
Disposals	-	-	(998)	(4)	(171)	(16)	(4)	(1,193)	-
Closing accumulated depreciation	-	717	5,799	77	71	100	190	6,954	-
	117	3,110	4,710	40	350	121	100	8,548	247

Year ended March 31, 2022

Gross carrying amount

Opening gross carrying amount	117	3,827	10,509	117	421	221	290	15,502	247
Additions (including transfers from CWIP)	-	65	1,035	19	53	85	39	1,296	2,266
Disposals	-	(0)	(459)	(0)	(82)	(6)	(194)	(741)	(1,296)
Closing gross carrying amount	117	3,892	11,085	136	392	300	135	16,057	1,217

Accumulated depreciation

Opening accumulated depreciation	-	717	5,799	77	71	100	190	6,954	-
Depreciation charge during the year	-	149	1,336	10	120	47	67	1,729	-
Disposals	-	(0)	(444)	(0)	(48)	(5)	(194)	(691)	-
Closing accumulated depreciation	-	866	6,691	87	143	142	63	7,992	-
Net carrying amount	117	3,026	4,394	49	249	158	72	8,065	1,217

(i) Contractual obligations

Refer to note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Capital work in progress

(a) Refer to Note 3(b) for Capital work in progress ageing.

(b) Capital work in progress includes machinery in transit amounting to INR 258 lakhs as at March 31, 2022(March 31, 2021: INR Nil)

Note 3(a): Leases

Statement of profit and loss for the year ended March 31, 2022

	March 31, 2022	March 31, 2021
Decrease in rent expense (included in 'Other expenses')	81	78
Increase in finance cost	(13)	(15)
Increase in depreciation and amortisation expense	(68)	(63)
Net (decrease)/increase in profit before tax	-	-

Weighted average lessee's incremental borrowing rate applied to lease liabilities is 7.55%(March 31, 2021: 7.55%).

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Carrying amount of right-of-use assets at the end of the reporting period by class of underlying asset:

	March 31, 2022	March 31, 2021
Buildings	117	140
Leasehold land	368	374
Total Right-of use assets	485	514

Carrying amount of lease liability at the end of the reporting period:

	March 31, 2022	March 31, 2021
Lease liability		
Current	9	7
Non Current	114	137
Total lease liabilities	123	144

Amounts recognised in the statement of profit or loss

	March 31, 2022	March 31, 2021
Depreciation charge of right-of-use assets (refer note 22)		
Buildings	68	63
Leasehold land	6	6
Interest expense (refer note 21)	13	15
Expense relating to short-term leases (included in Rent) (refer note 23)	299	274
Total cash outflows for leases	312	289

Additions to the right of use assets during the current financial year	45	87
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The Company's leasing activities: The Company has entered into lease agreements for lease of offices, godowns etc., generally for a period of 6 months to 5 years with renewal option and which can be terminated after lock-in-period by serving notice period as per the terms of the agreements.

In applying IndAS 116, the Company has used the following practical expedients:

- (i) Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- (ii) Accounting for operating leases with a remaining lease term of less than 12 months as at March 31, 2022 as short-term leases.
- (iii) Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

Note 3(b): Capital Work-in-Progress (CWIP)

	March 31, 2022	March 31, 2021
Carrying amount of capital work in progress (CWIP)	1,217	247
Total	1,217	247

(a) Ageing of CWIP:

Project in Progress	Amounts in Capital Work-in-progress for				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at March 31, 2022	1,217	-	-	-	1,217
As at March 31, 2021	216	31	-	-	247

(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost comparable to its original plan:

Particulars	To be Completed in				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
As at March 31, 2022					
Project in Progress					
(i) Plant & Machinery	144	-	-	-	144
(ii) Building	3	-	-	-	3
Total	147	-	-	-	147

As at March 31, 2021

Project in Progress					
(i) Building	31	-	-	-	31
Total	31	-	-	-	31

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Note 4: Intangible assets

	Technical knowhow - Model fees	Software	Total	Intangible assets under development
Year ended March 31, 2021				
Gross carrying amount				
Opening gross carrying amount	327	507	834	-
Additions	-	74	74	-
Disposals	-	-	-	-
Closing gross carrying amount	327	581	908	-
Accumulated amortisation				
Opening accumulated amortisation	304	457	761	-
Amortisation charge for the year	23	57	80	-
Disposals	-	-	-	-
Closing accumulated amortisation	327	514	841	-
Closing net carrying amount	-	67	67	-
Year ended March 31, 2022				
Gross carrying amount				
Opening gross carrying amount	327	581	908	-
Additions	70	28	98	52
Disposals	-	-	-	-
Closing gross carrying amount	397	609	1,006	52
Accumulated amortisation				
Opening accumulated amortisation	327	514	841	-
Amortisation charge for the year	14	35	49	-
Disposals	-	-	-	-
Closing accumulated amortisation	341	549	890	-
Closing net carrying amount	56	60	116	52

Note 4(a): Intangible assets under development

	March 31, 2022	March 31, 2021
Carrying amount of Intangible assets under development	52	-
Total	52	-

(a) Ageing of Intangible assets under development:

Particulars	Amounts in Intangible assets under development for				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Project in Progress					
As at March 31, 2022	52	-	-	-	52
As at March 31, 2021	-	-	-	-	-

(b) Completion schedule for Intangible assets under development whose completion is overdue or has exceeded its cost comparable to its original plan:

Particulars	To be Completed in				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
As at March 31, 2022					
A. Project in Progress					
(i) Software	19	-	-	-	19
As at March 31, 2021					
Project in Progress	-	-	-	-	-
Total	19	-	-	-	19

Note 5: Financial assets

5(a) Trade receivables

	March 31, 2022	March 31, 2021
Unsecured, considered good#*		
Receivables from others	3,275	1,411
Receivables from related parties (refer note 30)	5,436	6,819
Total receivables	8,711	8,230

includes debtors amounting to INR 398 lakhs as at March 31, 2022 (March 31, 2021: 516 lakhs) considered good in respect of which the Company holds guarantees from the bank.

* includes amount due from Honda Cars India Limited as at March 31, 2022 INR NIL (March 31, 2021: 109 lakhs), being a fellow subsidiary Company having common directors. The common director resigned from the Company w.e.f. August 11, 2021.

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Trade receivables ageing

	Outstanding for following periods from the due date						Total
	Not due	Less than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
Unsecured, considered good							
March 31, 2022	5,968	2,737	4	1	1	-**	8,711
March 31, 2021	5,916	2,263	1	50	-**	-**	8,230

** less than INR 1 lakh.

5(b) Cash and cash equivalents

	March 31, 2022	March 31, 2021
Balances with banks		
- In current accounts	884	223
- In EEFC accounts	1,206	1,582
Deposits with maturity of less than three months	9,775	6,092
Cheques on hand	322	124
Cash on hand	1	5
Total cash and cash equivalents	12,188	8,026

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

5(c) Other bank balances

	March 31, 2022	March 31, 2021
Bank deposits with maturity more than 3 months but less than 12 months	15,503	5,530
Unpaid dividend accounts***	42	40
Total other bank balances	15,545	5,570

***The balances in these accounts are not available for the Company's use. Further, there are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

5(d) Loans

	March 31, 2022		March 31, 2021	
	Current	Non - current	Current	Non - current
Unsecured, considered good				
Loan to fellow subsidiary (refer note 30)	-	-	16,000	-
Total loans*	-	-	16,000	-

* The loan was given for a period of 12 months and interest was charged at an annual rate of 5.10% w.e.f. February 16, 2021 (earlier 6.30% since January 31, 2020).

The loan was repayable on demand by the Company (Lender). In the current year the loan has been repaid.

5(e) Other financial assets

	March 31, 2022		March 31, 2021	
	Current	Non - current	Current	Non - current
Unsecured, considered good, unless otherwise stated				
Security deposits	56	109	46	103
Long-term deposits with banks with remaining maturity period more than 12 months	-	7,710	-	3,665
Interest accrued on bank deposits and loans*	138	40	148	4
Unsecured, considered doubtful				
Security deposits	2	-	3	-
Less: Provision for doubtful security deposits	(2)	-	(3)	-
Total other financial assets	194	7,859	194	3,772

* Includes amount accrued on loan to a fellow subsidiary as at March 31, 2022 NIL (March 31, 2021: 91 lakhs)

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Note 6: Deferred tax assets (net)

The balance comprises temporary differences attributable to:

	March 31, 2022	March 31, 2021
Deferred tax assets		
Expenditure covered by section 43B of Income-tax Act, 1961	345	341
Property, plant and equipment and intangible assets	221	160
<i>Other items</i>		
Provision for slow moving inventory and discontinued models	81	72
Provision for doubtful advances	64	65
	145	137
Total deferred tax assets	711	638
Set-off of deferred tax liabilities pursuant to set-off provisions		
<i>Other items</i>		
Deferred revenue	-	(25)
Total deferred tax liabilities	-	(25)
Net deferred tax assets	711	613

Movements in deferred tax assets and liabilities

	Expenditure covered by section 43B of Income-tax Act, 1961	Property, plant and equipment and intangible assets	Other items	Total
At April 1, 2020	330	67	134	531
(Charged)/credited:				
- to profit or loss	8	93	(22)	79
- to other comprehensive income	3	-	-	3
At March 31, 2021	341	160	112	613
(Charged)/credited:				
- to profit or loss	3	61	33	97
- to other comprehensive income	1	-	-	1
At March 31, 2022	345	221	145	711

Note 7: Non Current Tax assets (net)

	March 31, 2022	March 31, 2021
Advance income tax (net)		
Opening balance	4,416	4,401
Add: Taxes paid	67	15
Add: Tax refunds/adjustment	-	-
Closing balance*#	4,483	4,416

*Includes paid under protest as at March 31, 2022 INR 1,937 lakhs (March 31, 2021: INR 1,937 lakhs).

#Net of provision for tax as at March 31, 2022 of INR 37,220 lakhs (March 31, 2021: INR 34,547 lakhs)

Note 8: Other non-current assets

	March 31, 2022	March 31, 2021
Unsecured, considered good, unless otherwise stated		
Capital advances	243	276
Recoverable from government authorities*	519	733
Prepaid expenses	13	17
Total	775	1,026
Unsecured, considered doubtful		
Special additional duty recoverable	184	184
Export benefits recoverable	39	39
Others	29	30
Total	252	253
Less: Allowance for doubtful advances	(252)	(253)
Total other non-current assets	775	1,026

* Includes deposit under protest as at March 31, 2022 INR 207 lakhs (March 31, 2021 : INR 288 lakhs)

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Note 9: Inventories

	March 31, 2022	March 31, 2021
Raw materials [includes in transit: INR 3,840 lakhs [March 31, 2021: INR 3,290 lakhs]	7,260	7,084
Work-in-progress	853	662
Finished goods [includes in transit: INR 1,709 lakhs (March 31, 2021: INR 2,086 lakhs)]	6,398	5,999
Stock-in-trade [includes in transit: INR 950 lakhs (March 31, 2021: INR 608 lakhs)]	3,149	2,299
Stores and spares	302	293
Total	17,962	16,337
Less : Provision for slow moving inventory including discontinued models	(323)	(288)
Total inventories	17,639	16,049

Note 10: Other current assets

	March 31, 2022	March 31, 2021
Unsecured, considered good, unless otherwise stated		
Recoverable from related parties (refer note 30)	178	85
Advances for supply of goods	78	65
Prepaid expenses	153	142
Recoverable from government authorities	3,295	1,591
CENVAT credit receivable	47	47
GST receivable	3,324	3,005
Special additional duty recoverable	24	24
Export benefits recoverable	957	810
Others**	49	56
Total	8,105	5,825

** includes advances given to director or other officers as a part of the conditions of service extended by the Company to all its employees at March 31, 2022 INR 8 lakhs (March 31, 2021: INR 7 lakhs).

Note 11: Equity share capital and other equity

11(a) Equity share capital

Authorised share capital

	Equity shares	
	Number of shares	Amount
At the beginning of year - As at March 31, 2021	15,000,000	1,500
At the end of the year - As at March 31, 2022	15,000,000	1,500

Issued share capital

	Number of shares	Amount
Balance at the beginning of year - As at March 31, 2021	10,144,000	1,014
Balance at the end of the year - As at March 31, 2022	10,144,000	1,014

Subscribed and paid up share capital

	Number of shares	Amount
Balance at the beginning of year - As at March 31, 2021	10,143,071	1,014
Balance at the end of the year - As at March 31, 2022	10,143,071	1,014

(i) Movements in equity share capital

	Number of shares	Equity share capital (par value)
Balance at the beginning of year - As at March 31, 2021	10,143,071	1,014
Balance at the end of the year - As at March 31, 2022	10,143,071	1,014

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Terms and rights attached to equity shares

The Company has a single class of equity shares having a par value of ₹ 10 each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The voting rights on a poll (not on show of hands) are in proportion to an equity shareholder's 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.

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.

(ii) Shares of the Company held by holding Co. & promoters

	March 31, 2022		March 31, 2021	
	Number of shares	% holding	Number of shares	% holding
Honda Motor Co. Ltd., Japan				
Number of Shares at the beginning of the year	6,762,000	66.67%	6,762,000	66.67%
Number of Shares at the end of the year	6,762,000	66.67%	6,762,000	66.67%

(iii) Details of shareholders holding more than 5% equity shares in the Company

	March 31, 2022		March 31, 2021	
	Number of shares	% holding	Number of shares	% holding
Honda Motor Co. Ltd., Japan	6,762,000	66.67%	6,762,000	66.67%
Nippon Life India Trustee Ltd, India	848,943	8.37%	848,943	8.37%

11(b) Other equity

Reserves & Surplus

	March 31, 2022	March 31, 2021
Securities premium reserve	396	396
General reserve	12,087	12,087
Retained earnings	53,491	47,054
Total other equity	65,974	59,537

(i) Securities premium reserve

	March 31, 2022	March 31, 2021
Balance at the beginning of year	396	396
Balance at the end of the year	396	396

(ii) General reserve

	March 31, 2022	March 31, 2021
Balance at the beginning of year	12,087	12,087
Balance at the end of the year	12,087	12,087

(iii) Retained earnings

	March 31, 2022	March 31, 2021
Balance at the beginning of year	47,054	43,464
Profit for the year	7,453	4,867
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of post-employment benefit obligation, net of tax	(2)	(9)
Dividend on equity shares	(1,014)	(1,268)
Balance at the end of the year	53,491	47,054

Nature and purpose of other reserves

Securities premium reserve

Securities premium reserve represents the amount received in excess of par value of securities (equity shares). The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

General reserve

The General Reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserves will not be subsequently reclassified to profit and loss.

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Retained earnings

Retained earnings represent the undistributed profits of the Company.

During the year a dividend of Rs 10 per share, total dividend ₹ 1014 lakhs (Previous Year Rs 12.5 per share, total dividend 1268 lakhs) was paid to equity shareholders. The board of directors recommended the final dividend of ₹ 15/- per share (Nominal value of ₹ 10/-share) for the financial year 2021-22. The dividend is subject to approval of shareholders in the ensuing Annual General Meeting.

Note 12: Financial liabilities

12(a) Trade payables

	March 31, 2022	March 31, 2021
Total outstanding dues of micro and small enterprises (refer note 36)	1,364	1,074
Total outstanding dues of creditors other than micro and small enterprises *	10,527	10,377
Total trade payables	11,891	11,451

* Includes amount payable to related parties amounting to INR 4,980 lakhs as at March 31, 2022 (March 31, 2021: INR 4,436 lakhs).(Refer note 30).

Trade Payable Ageing

	Outstanding for following periods from the due date						Total
	Unbilled	Not due	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Year ended March 31, 2022							
Undisputed trade payables							
Micro and small enterprises	107	1,257	-	-	-	-	1,364
Others	3,805	6,695	27	-	-	-	10,527
Total	3,912	7,952	27	-	-	-	11,891
Year ended March 31, 2021							
Undisputed trade payables							
Micro and small enterprises	48	1,026	-	-	-	-	1,074
Others	2,906	6,438	1,033	-	-	-	10,377
Total	2,954	7,464	1,033	-	-	-	11,451

12(b) Other financial liabilities

	March 31, 2022	March 31, 2021
Current		
Security deposits from dealers	218	209
Interest accrued and due on security deposits	11	11
Unpaid dividends	42	40
Employee benefits payable	1,267	1,035
Capital creditors	850	134
Other Payables	36	29
Total other current financial liabilities	2,424	1,458

Note 13: Contract liabilities

	March 31, 2022	March 31, 2021
Advance from customers*	970	2,154
Deferred service revenue	254	98
Total Contract liabilities	1,224	2,252

* Includes advance received towards supply of goods to related parties amounting to INR 112 lakhs as at March 31, 2022 (March 31, 2021: INR 1 lakhs).(Refer note 30).

(i) Significant changes in contract liabilities:

Contract liabilities include advances from customers for which the Company is obliged to transfer goods or services to the customers. Also refer note 16.

(ii) Revenue recognised that was included in the contract liabilities balance.

	March 31, 2022	March 31, 2021
Revenue recognised	2,216	887
	2,216	887

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Note 14: Provisions

	March 31, 2022		March 31, 2021	
	Current	Non - current	Current	Non - current
Provision for employee benefits (refer note 25)				
Compensated absences	1,168	-	1,193	-
Gratuity	336	-	328	-
Other provisions				
Warranties (refer note (i) below)	199	72	166	68
Total	1,703	72	1,687	68

(i) Information about warranty provisions and significant estimates

Warranties: Provision is made for warranty claims in respect of products sold which are still under warranty at the end of reporting period. The Company offers warranty for a period ranging from one year to two years to domestic and export customers. The warranty provision is expected to be utilised within the normal warranty period. The provision has been created based on management's estimates and past trends of actual claim received.

(ii) Movements in other provisions

Movements in each class of other provisions during the financial year, are set out below:

	Warranties
As at April 1, 2020	173
Provision made during the year	191
Provision utilised during the year	(130)
As at March 31, 2021	234
Provision made during the year	265
Provision utilised during the year	(228)
As at March 31, 2022	271

Note 15: Other current liabilities

	March 31, 2022	March 31, 2021
Statutory tax payables	813	660
Sales incentive payable	907	826
Total other current liabilities	1,720	1,486

Note 16: Revenue from Operations

	March 31, 2022	March 31, 2021
Revenue from Contracts with Customers		
Sale of products		
Finished goods	100,333	82,307
Stock in trade	10,235	7,865
Spares and components	2,530	1,741
Sale of Services	540	354
Total revenue from contracts with customers	113,638	92,267
Other operating revenue		
Scrap sales	189	141
Support service fees	199	170
Export benefit income	1,587	1,304
Others	16	12
Total other operating revenue	1,991	1,627
Total revenue from operations	115,629	93,894

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Reconciliation of revenue recognised with contract price:

	March 31, 2022	March 31, 2021
Contract Price	115,681	93,986
Sales incentive	(1,789)	(1,621)
Deferred Service Revenue	(254)	(98)
Total revenue from contracts with customers	113,638	92,267

Revenue related to the service coupons is deferred and recognised when the coupons are redeemed or expired whichever is earlier. Management estimates that the entire deferred revenue would be recognised as revenue within next 12 months.

Note 17: Other income

	March 31, 2022	March 31, 2021
Interest income from financial assets at amortised cost - Deposits with Bank	551	308
Interest income on loan to fellow subsidiary (refer note 30)	715	966
Net gain on sale of property, plant and equipments	3	77
Foreign exchange fluctuation (net)	370	-
Provisions / liabilities written back to the extent no longer required	-	14
Provision for slow moving inventory written back	-	66
Miscellaneous income	45	22
Total other income	1,684	1,453

Note 18: Cost of materials consumed

	March 31, 2022	March 31, 2021
Raw material Inventory at the beginning of the year	7,084	6,739
Add : Purchases	65,341	49,961
Less : Raw material Inventory at the end of the year	7,260	7,084
Total cost of materials consumed	65,165	49,616

Note 19: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	March 31, 2022	March 31, 2021
Inventories at the end of the year:		
Finished goods	6,398	5,999
Stock-in-trade	3,149	2,299
Work-in-progress	853	662
	10,400	8,960
Inventories at the beginning of the year:		
Finished goods	5,999	10,599
Stock-in-trade	2,299	3,092
Work-in-progress	662	773
	8,960	14,464
Total changes in inventories of finished goods,work-in-progress and stock-in-trade	(1,440)	5,504

Note 20: Employee benefits expense

	March 31, 2022	March 31, 2021
Salaries, wages and bonus	9,884	8,999
Contribution to provident fund and other funds (refer note 25)	556	510
Gratuity (refer note 25)	173	176
Compensated absences (refer note 25)	226	312
Staff welfare expenses	901	743
Total employee benefits expense	11,740	10,740

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Note 21: Finance costs

	March 31, 2022	March 31, 2021
Interest on security deposits from dealers	13	12
Interest on lease liabilities	13	15
Interest on others	22	1
Total finance costs	48	28

Note 22: Depreciation and amortisation expense

	March 31, 2022	March 31, 2021
Depreciation of property, plant and equipment (refer note 3)	1,729	1,877
Depreciation of right-of-use assets (refer note 3(a))	74	69
Amortisation of intangible assets (refer note 4)	49	80
Total depreciation and amortisation expense	1,852	2,026

Note 23: Other expenses

	March 31, 2022	March 31, 2021
Consumption of stores and spare parts	492	424
Power and fuel	941	680
Rent (refer note 32(b))	299	274
Repairs		
- Building	66	63
- Machinery	213	198
- Others	126	115
Insurance	127	119
Rates and taxes	26	44
Royalty	3,990	3,310
Technical guidance fees	184	253
Freight, clearing and forwarding	6,400	3,299
Commission on sales	4,649	3,505
Advertisement and sales promotion	620	231
Service expenses	178	97
Travelling expenses	320	257
Legal and professional fees (refer note 23(a))	591	831
Vehicle running expenses	138	125
Foreign exchange fluctuation (net)	-	324
Provision for slow moving inventory	36	-
Provision for doubtful advances	-	1
Warranty	265	191
Security expenses	100	104
Bank charges	45	39
Contribution towards corporate social responsibility (Refer note 23(b))	170	200
Miscellaneous expenses	494	454
Total other expenses	20,470	15,138

Note 23(a): Details of payments to auditors

	March 31, 2022	March 31, 2021
Payments to auditors*		
As auditor:		
Audit fee	40	36
Tax audit fee	3	3
Limited reviews fee	9	9
Re-imbursment of expenses	3	2
Total payments to auditors	55	50

* excluding Goods and Services Tax

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Note 23(b): Corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the Company as per the Act.

During the year, the Company had allocated INR 170 Lakhs (March 31, 2021: INR 200 Lakhs) for CSR activities in accordance with the provisions of Companies Act. Out of the said amount INR 132 Lakhs (March 31, 2021: NIL) remained unspent at the year end. In order to comply with the provisions relating to CSR vide the Companies (Amendment) Act, 2019, Companies (Amendment) Act, 2020, and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, which is effective from 22 January 2021, the Company had to transfer unspent CSR amount as on March 31, 2022, to "Honda India Power Products Limited Unspent Corporate Social Responsibility Account" (UCSRA) maintained with ICICI bank (Scheduled Bank) by April 30, 2022 pursuant to which the Company transferred the unspent amount to UCSRA on April 21, 2022. Such shortfall to be spent within three financial years from date of transfer and amount remaining unspent at the end of three financial years is to be transferred to a Fund specified in Schedule VII of the Act within 30 days.

The Company has transferred INR 38 lakhs (Previous year INR 200 lakhs) to Honda India Foundation Trust, out of which INR 38 lakhs (Previous year NIL) has been deposited in the UCSRA accounts in April 2022 as the amount was not spent by Honda India Foundation Trust.

	March 31, 2022	March 31, 2021
Amount required to be spent by the company during the year as per Section 135 of the Act	170	200
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	38	200
Shortfall at the end of the year	132	-
Total Previous year shortfall	-	-
Reason for shortfall		-
		Pertains to ongoing projects

Note 24: Income tax expense

	March 31, 2022	March 31, 2021
(a) Income tax expense		
<i>Current tax</i>		
Current tax on profits for the year	2,650	1,826
Total current tax expense	2,650	1,826
<i>Deferred tax</i>		
Decrease/(increase) in deferred tax assets	(73)	(110)
(Decrease)/increase in deferred tax liabilities	(24)	31
Total deferred tax expense/(benefit)	(97)	(79)
Income tax expense	2,553	1,747

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	March 31, 2022	March 31, 2021
Profit before income tax expense	10,006	6,614
Tax at the India tax rate of 25.168% (2020-2021: 25.168%)	2,518	1,665
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Amortisation of leasehold land	2	2
Corporate social responsibility expenditure	43	50
Other items	(10)	30
Income tax expense	2,553	1,747

Note 25 : Employee benefits

(i) Leave obligations

The leave obligations cover the Company's liability for accumulated earned leave and sick leave.

The entire amount of the provision of INR 1168 lakhs (March 31, 2021: INR 1193 lakhs) is presented as current since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leaves within the next 12 months.

	March 31, 2022	March 31, 2021
leave obligations not expected to be settled within the next 12 months	1,098	1,064

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

(ii) Defined contribution plans

Superannuation Fund

The expense recognised during the period towards defined contribution plan is INR 109 lakhs (March 31, 2021: 105 lakhs).

Employee State Insurance

The expense recognised during the period towards defined contribution plan is INR 20 lakhs (March 31, 2021: 21 lakhs).

(iii) Post-employment obligations

(a) Gratuity

Balance sheet amounts - Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net Amount
April 1, 2020	2,027	(1,689)	338
Current service cost	153	-	153
Interest expense/(income)	138	(115)	23
Total amount recognised in profit or loss	291	(115)	176
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(7)	(7)
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses (experience adjustment)	19	-	19
Total amount recognised in other comprehensive income	19	(7)	12
Employer contributions	-	(198)	(198)
Benefit payments	(146)	146	-
March 31, 2021	2,191	(1,863)	328
April 1, 2021	2,191	(1,863)	328
Current service cost	150	-	150
Interest expense/(income)	149	(127)	22
Total amount recognised in profit or loss	299	(127)	172
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(5)	(5)
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses	8	-	8
Total amount recognised in other comprehensive income	8	(5)	3
Employer contributions	-	(167)	(167)
Benefit payments	(389)	389	-
March 31, 2022	2,109	(1,773)	336

(b) Provident fund

The expenses recognised during the period towards provident fund is INR 427 lakhs (March 31, 2021: INR 384 lakhs) which also includes defined contribution to family pension scheme INR 159 lakhs (March 31, 2021: 156 lakhs).

Balance sheet amounts - Provident fund

	Present value of obligation	Fair value of plan assets	Net Amount
April 1, 2020	6,412	(6,751)	(339)
Current service cost	222	-	222
Interest expense/(income)	541	(541)	-
Total amount recognised in profit or loss	763	(541)	222
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(11)	(11)
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses (experience adjustment)	1	-	1
Total amount recognised in other comprehensive income	1	(11)	(10)
Employer contributions	-	(222)	(222)
Contributions by plan participants/employees	638	(638)	-
Benefits paid	(601)	601	-
Settlements/transfer in	13	(13)	-
March 31, 2021*	7,226	(7,575)	(349)

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

April 1, 2021	7,226	(7,575)	(349)
Current service cost	262	-	262
Interest expense/(income)	602	(602)	-
Total amount recognised in profit or loss	864	(602)	262
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	27	27
(Gain)/loss from change in financial assumptions	(3)	-	(3)
Experience (gains)/losses	13	-	13
Total amount recognised in other comprehensive income	10	27	37
Employer contributions	-	(262)	(262)
Contributions by plan participants/employees	693	(693)	-
Benefit payments	(1,295)	1,295	-
Settlements/transfer in	93	(93)	-
March 31, 2022*	7,591	(7,903)	(312)

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

The net liability disclosed above relates to funded and unfunded plan are as follows:

	Gratuity		Provident fund	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Present value of funded obligations	2,109	2,191	7,591	7,226
Fair value of plan assets	(1,773)	(1,863)	(7,903)	(7,575)
Deficit/(surplus) of funded plan	336	328	(312)	(349)
Unfunded plans	-	-	-	-
Deficit/(surplus) of gratuity plan and provident fund*	336	328	(312)	(349)

*Excess of planned assets over defined benefit obligations has not been recognised in the books. The Company is under an obligation to make good the shortfall, if any.

(iv) Post employment benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	Gratuity		Provident fund	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Discount rate	7.22%	6.80%	7.22%	6.80%
Salary growth rate	8.00%	8.00%	-	-
Expected statutory interest rate on the ledger balance	-	-	8.10%	8.50%
Expected short fall in interest earnings on the fund	-	-	0.05%	0.05%
Retirement age	58 years	58 years	58 years	58 years
Mortality rate	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Withdrawal rate				
Ages:				
Upto 30 years	3%	3%	3%	3%
From 31 to 44 years	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

(a) Changes in defined benefit obligation of Gratuity plan due to change in discount rate

	March 31, 2022	March 31, 2021
i) Defined benefit obligation	2,109	2,191
ii) Decrease in defined benefit obligation at 0.5% increase in discount rate	(101)	(96)
iii) Increase in defined benefit obligation at 0.5% decrease in discount rate	110	105

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

(b) Changes in defined benefit obligation of Gratuity plan due to change in salary growth rate

	March 31, 2022	March 31, 2021
i) Defined benefit obligation	2,109	2,191
ii) Increase in defined benefit obligation at 0.5% increase in salary growth rate	109	104
iii) Decrease in defined benefit obligation at 0.5% decrease in salary growth rate	(101)	(96)

(c) Changes in defined benefit obligation of Provident Fund plan due to change in discount rate

	March 31, 2022	March 31, 2021
i) Defined benefit obligation	7,591	7,226
ii) Impact on defined benefit obligation at 0.5% increase in discount rate	(2)	(1)
iii) Impact on defined benefit obligation at 0.5% decrease in discount rate	2	1

(d) Changes in defined benefit obligation of Gratuity plan due to changes in mortality rate, is negligible.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumption the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period. Brackets represents gain.

(vi) The major categories of plan assets are as follows:

Gratuity

	March 31, 2022		March 31, 2021	
	Unquoted	in %	Unquoted	in %
Investment funds				
Funds managed by insurer	1,773	100%	1,863	100%
Total	1,773	100%	1,863	100%

Provident fund

	March 31, 2022		March 31, 2021	
	Unquoted	in %	Unquoted	in %
Investment funds				
Government securities	3,952	50%	3,787	50%
Public sector unit bonds	3,556	45%	3,409	45%
Mutual funds	395	5%	379	5%
Total	7,903	100%	7,575	100%

(vii) Risk exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are defined below:

Investment risk	If plan is funded then assets and liabilities mismatch and actual investment return on assets is lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

(viii) Defined benefit liability and employer contributions

Expected contribution to post-employment benefit plan for the year ended March 31, 2023 is INR 188 lakhs.

The weighted average duration of the defined benefit obligation of Gratuity plan as at March 31, 2022 is 16.43 years (March 31, 2021: 16.35 years). The expected maturity analysis of gratuity is as follows:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2022					
Defined benefit obligation	180	171	416	1,342	2,109
Total	180	171	416	1,342	2,109
March 31, 2021					
Defined benefit obligation	363	159	459	1,210	2,191
Total	363	159	459	1,210	2,191

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Note 26: Fair value measurements

Financial instruments by category

	Notes	March 31, 2022	March 31, 2021
Financial assets			
Trade receivables	5(a)	8,711	8,230
Loans	5(d)	-	16,000
Cash and cash equivalents	5(b)	12,188	8,026
Other bank balances	5(c)	15,545	5,570
Security Deposits	5(e)	165	149
Long-term deposits with banks with remaining maturity period more than 12 months	5(e)	7,710	3,665
Interest accrued on bank deposits	5(e)	178	152
Total financial assets		44,497	41,792
Financial liabilities			
Trade payables	12(a)	11,891	11,451
Lease Liabilities	3(a)	123	144
Security deposits from dealers	12(b)	218	209
Interest accrued and due on security deposits	12(b)	11	11
Unpaid dividends	12(b)	42	40
Employee benefits payable	12(b)	1,267	1,035
Other Payables	12(b)	36	29
Capital creditors	12(b)	850	134
Total financial liabilities		14,438	13,053

(i) Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices (for example, listed equity instruments, traded bonds and mutual funds that have quoted price). There are no financial instruments measured using Level 1 valuation technique.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. There are no financial instruments measured using Level 2 valuation technique.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. There are no financial instruments measured using Level 3 valuation technique.

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) The management assessed that the cash and cash equivalents, trade receivables, trade payables, other bank balances, loans, security deposits, fixed deposits with banks and its interest accrued and other financial assets and liabilities approximate the carrying value due to the short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

(iii) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every three months, in line with the Company's quarterly reporting periods.

(iv) Fair value of financial assets and liabilities measured at amortised cost

The following summarises the financial instruments at fair value and classification of financial instruments into the three levels prescribed under the Indian Accounting Standards:

There are no financial assets and financial liabilities in a category measured at fair value-recurring fair value measurements.

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, trade payables, employee benefits payables, interest accrued, unpaid dividends, capital creditors, deferred service revenue and security deposits received are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits given and long - term deposits with banks with remaining maturity period more than 12 months were calculated based on cash flows discounted using a current lending rate. Security deposits is classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counterparty credit risk and long term deposits with banks with remaining maturity period more than 12 months is classified as level 2 for values in the fair value hierarchy due to the inclusion of observable inputs including current market lending rate. The carrying amount is considered to approximate the same to fair value as at the reporting date.

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Note 27: Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the Company's financial performance. This note explains the sources of risk which the entity is exposed to and how the entity manages such risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of bank deposits, credit limits, letter of credit and periodic monitoring of realisable value
Liquidity risk	Trade payables and other liabilities	Rolling cash flow forecasts	Availability of sufficient internally generated operating cash flows
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Cash flow forecasting

The Company's senior management oversees the management of these risks. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(A) Credit risk

Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks, as well as credit exposures to customers, including outstanding receivables.

(i) Credit risk management

Trade receivables and other financial assets

A default is when the counterparty fails to make contractual payments within 30 days of when they fall due in case of trade receivables and for other financial assets as prescribed by relevant terms of the contract. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors. Assets are written-off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

The Company extends credit to the customers considering factors such as credit track record in the market and past dealing with the Company. The Company monitors the payment track record of the customers. The Company's third party export customers are secured through letter of credit and majority of the Company's export trade receivables are outstanding but not due with its related entities, which mitigates the risk to an extent.

Cash and cash equivalents and deposits with banks

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits accounts in different banks across the Country.

Loan to a fellow subsidiary

The Loan has been repaid by the fellow subsidiary during the year, it was considered to be at low credit risk. Management considered the loan to be low credit risk as it had a low risk of default and the borrower had a strong capacity to meet its contractual cash flow obligations. The loan was with the Company's related entity which was repaid on demand of the Company which mitigated the risk to an extent.

(ii) Provision for expected credit losses

The company provides for expected credit loss based on the following:

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The 12-month expected credit loss is a portion of the lifetime expected credit losses which results from default events that are possible within 12 months after the reporting date. At initial recognition, financial assets are considered as having negligible credit risk. The Company monitors whether there is any significant increase in credit risk since initial recognition.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

Lifetime expected credit loss are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. Management believes that the unimpaired amounts that are 6 months past due date are still collectible in full. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Considering the above factors the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Significant estimates and judgments

Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than one year	Total
March 31, 2022		
Trade payables	11,891	11,891
Lease Liabilities	9	9
Security deposits	218	218
Employee benefits payables	1,267	1,267
Other financial liabilities	939	939
Total	14,324	14,324
March 31, 2021		
Trade payables	11,451	11,451
Lease Liabilities	7	7
Security deposits from dealers	209	209
Employee benefits payables	1,035	1,035
Other financial liabilities	214	214
Total	12,916	12,916

(C) Market risk

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, JPY and THB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	March 31, 2022			
	USD	JPY	THB	EURO
Financial assets				
Trade receivables	5,209	-	-	-
Cash balance	-	-*	-	-
Bank balance in EEFC accounts	1,206	-	-	-
Other Receivables	101	-	-	-
Exposure to foreign currency risk (assets)	6,516	-	-	-
Financial liabilities				
Trade payables	3,128	752	677	3
Exposure to foreign currency risk (liabilities)	3,128	752	677	3

*less than 1 lakh

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

	March 31, 2021			
	USD	JPY	THB	EURO
Financial assets				
Trade receivables**	6,424	1	-	-
Cash balance***	1	-	-	-
Bank balance in EEFC accounts	1,582	-	-	-
Exposure to foreign currency risk (assets)	8,007	1	-	-
Financial liabilities				
Trade payables	2,815	597	524	2
Exposure to foreign currency risk (liabilities)	2,815	597	524	2

** includes INR 0.12 lakhs (for FC JPY)

***includes INR 0.13 lakhs (for FC THB) & 0.19 (for FC YEN)

(b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

	Increase/(Decrease) in profit before tax	
	March 31, 2022	March 31, 2021
USD sensitivity with INR		
Increase by 5% (March 31, 2021: 5%)*	169.4	259.6
Decrease by 5% (March 31, 2021: 5%)*	(169.4)	(259.6)
JPY sensitivity with INR		
Increase by 5% (March 31, 2021: 5%)*	(37.6)	(29.8)
Decrease by 5% (March 31, 2021: 5%)*	37.6	29.8
THB sensitivity with INR		
Increase by 5% (March 31, 2021: 5%)*	(33.9)	(26.2)
Decrease by 5% (March 31, 2021: 5%)*	33.9	26.2

* holding all other variables constant.

Note 28: Capital management

(a) Risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

The Company does not have any debt in its financial statements. The Company is dependent on the capital contribution and cash flows generated from operations for the funding. The Company is not subject to any externally imposed capital requirements.

There is no change in the Company's capital structure since the previous year.

(b) Dividends

	March 31, 2022	March 31, 2021
(i) Equity shares		
Final dividend for the year ended March 31, 2021 of INR 10.00 (March 31, 2020: INR 12.50) per fully paid share.	1,014	1,268
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 15.00 (March 31, 2021: INR 10.00) per fully paid up equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1521	1,014

Note 29: Segment information

The Company is primarily engaged in the business of "Power Products". The Chief Executive Officer is the Company's Chief Operating Decision Maker (CODM) within the meaning of Ind AS 108 'Operating Segments'. CODM examines the Company's performance, reviews internal management reports, allocates resources based on analysis of various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirements of Ind AS 108 "Operating Segment".

Geographical information

The Company is domiciled in India. The amount of its revenue from external customers attributable to the entity's country of domicile and attributable to all foreign countries in total from which the entity derives revenue is shown in the table below:

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Particulars	March 31, 2022	March 31, 2021
India	52,511	47,243
Foreign countries	63,118	46,651
Total	115,629	93,894

Revenue from transactions with external customers amounting to 10% or more of an entity's revenue is INR 47,393 lakhs (March 31, 2021: INR 35,224 lakhs).

The total of non-current assets other than deferred tax assets broken down by location of the assets is shown below:

Particulars	March 31, 2022	March 31, 2021
India	23,052	18,590
Foreign countries	-	-
Total	23,052	18,590

Note 30: Related party transactions

(a) Parent entity

The Company is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest	
			March 31, 2022	March 31, 2021
Honda Motor Co. Ltd., Japan	Holding and ultimate holding Company	Japan	66.67%	66.67%

(b) Other related parties

Type	Name	Place of incorporation
Fellow subsidiaries with whom transactions have been undertaken	American Honda Motor Co. Inc.	USA
	Asian Honda Motor Co. Limited	Thailand
	Honda Access India Private Limited	India
	Honda Australia Motorcycle and Power Equipment Pty Ltd.	Australia
	Honda Canada Inc.	Canada
	Honda Cars India Limited	India
	Honda De Mexico S.A. DE C.V.	Mexico
	Honda Del Peru S.A.	Peru
	Honda Gulf FZE	UAE
	Honda Kaihatsu Co. Ltd.	Japan
	Honda Manufacturing Nigeria Limited	Nigeria
	Honda Motor de Argentina S.A.	Argentina
	Honda Motor De Chile S.A.	Chile
	Honda Motor Europe Limited	United Kingdom
	Honda Motor Southern Africa (Pty.) Limited	South Africa
	Honda Motorcycle and Scooter India Private Limited	India
	Honda Philippines Inc.	Philippines
	Honda Power Pack Energy India Private Limited	India
	Honda R & D (India) Private Limited	India
	Honda R & D Co. Limited	Japan
	Honda Selva Del Peru S.A.	Peru
	Honda Taiwan Co Ltd	Taiwan
	Honda Trading Corporation India Private Limited	India
	Honda Trading (China) Co. Ltd.	China
	Honda Trading (South China) Co. Limited	Hong Kong
	Honda Trading Asia Co. Limited	Thailand
	Honda Trading Brasil Ltda.	Brasil
	Honda Trading Corporation	Japan
	Honda Trading Europe Ltd.	Belgium
	Honda Trading Philippines Ecozone Corporation	Philippines
	Honda Vietnam Power Products Co. Ltd.	Vietnam
	Moto Honda da Amazonia Ltda.	Brazil
PT Honda Power Products Indonesia	Indonesia	
PT Honda Trading Indonesia	Indonesia	
Rajasthan Prime Steel Processing Center Private Limited	India	
Shanghai Honda Trading Co. Limited	China	
Thai Honda Manufacturing Company	Thailand	

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Key management personnel	Mr. Takahiro Ueda- CMD and President & CEO Mr. Hiroyoshi Sugimizu- Senior Vice President and Whole time director (Resigned w.e.f 1st September 2020) Mr. Vinay Mittal- Senior Vice President, Whole time director and CFO Mr. Manoj Arora, Director Mr. Ravi Prakash Mehrotra, Director Ms. Alka M. Bharucha, Director Mr. Masaaki Morita, Director (Resigned w.e.f 11th August 2021) Mr. Noboru Sube, Whole time director (Appointed w.e.f 15th September 2021)
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(c) Key management personnel (KMP) compensation*

	March 31, 2022	March 31, 2021
Short-term employee benefits		
Mr. Hiroyoshi Sugimizu	-	73
Mr. Takahiro Ueda	254	245
Mr. Vinay Mittal	173	162
Mr. Noboru Sube	86	-
Sitting fees		
Mr. Manoj Arora	10	7
Ms. Alka. M. Bharucha	9	7
Mr. Ravi Prakash Mehrotra	7	5
Other Recoverable from employees	8	7

*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.

(d) Transactions with related parties

	March 31, 2022	March 31, 2021
 Holding Company		
Purchase of goods		
Stock-in-trade	1,898	1,368
Components, raw material, consumables and spares	4,725	4,228
Purchase of capital goods	95	25
Other Expenses		
Technical guidance fee	184	253
Royalty	3,990	3,310
Export commission on sales	4,625	3,472
Consultancy service fee	-	230
Sale of products		
Finished goods	949	1,672
Spares and components	12	5
Dividend paid	676	845
Reimbursement of expenses**		
Paid	787	389
Received	450	102
Fellow subsidiaries with whom transaction exceeds 10% of the total class of transaction		
Purchase of stock-in-trade		
Asian Honda Motor Co. Limited, Thailand***	6,470	3,752
Purchase of components, raw material, consumables and spares		
Asian Honda Motor Co. Limited, Thailand	2,054	2,715
Honda Trading Asia Co. Ltd., Thailand	2,032	1,709

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Honda Trading Corporation, Japan	1,151	808
Rajasthan Prime Steel Processing Center Private Limited, India	922	528
Shanghai Honda Trading Co. Ltd., China	1,016	612
Honda Trading Corporation India Private Limited, India	1,039	325
Others	86	83
Purchase of capital goods		
Honda Trading Corporation, Japan	265	25
Sale of finished goods		
American Honda Motor Co. Inc, USA	47,386	35,224
Honda Australia Motorcycle and Power Equipment Pty Ltd, Australia	2,289	1,119
Honda Canada Inc., Canada****	6,619	4,455
Honda Motor Europe Limited, United Kingdom	3,001	2,415
Others	1,221	966
Sale of spares and components		
Honda Cars India Limited, India	474	332
Honda Motorcycle and Scooter India Private Limited, India	1,880	1,296
American Honda Motor Co. Inc, USA	7	-
Others	1	6
Fee for infrastructure support services		
Honda R&D (India) Pvt. Ltd., India	16	16
Support service fees		
Honda Cars India Limited, India	199	170
Loan to fellow subsidiary		
Honda Cars India Limited, India	-	16,000
Loan repayment from fellow subsidiary		
Honda Cars India Limited, India	16,000	16,000
Interest Income on Loan		
Honda Cars India Limited, India	715	966
Reimbursement of expenses paid		
American Honda Motor Co. Inc, USA	92	94
Honda Canada Inc., Canada	31	37
Honda Kaihatsu Co. Ltd, Japan*****	11	4
Asian Honda Motor Co. Limited, Thailand	91	88
Others	41	18
Reimbursement of expenses received		
Honda Cars India Limited, India	1	2
Honda Power Pack Energy India Private Limited	51	-
Honda R&D (India) Pvt. Ltd., India	9	9
Honda Canada Inc., Canada	11	-
Asian Honda Motor Co. Limited, Thailand	9	11
Honda Motor De Chile S.A., Chile*****	1	-
Others	1	41

** The Company is proposing to get the excess amount of ₹ 237 lakhs ratified from the shareholders in the ensuing Annual General Meeting.

*** The Company is proposing to get the excess amount of ₹ 1970 lakhs ratified from the shareholders in the ensuing Annual General Meeting.

**** The Company is proposing to get the excess amount of ₹ 19 lakhs approval from the audit committee.

***** The Company is proposing to get the excess amount of ₹ 1 lakh approval from the audit committee.

***** The Company is proposing to get the excess amount of ₹ 1 lakh approval from the audit committee.

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

(e) Outstanding balances arising from sales/purchases of goods and services, purchase of assets and other transactions

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	March 31, 2022	March 31, 2021
Holding Company		
Trade Payable	3,843	3,343
Trade Receivable	-	0
Other Recoverable	2	81
Fellow subsidiaries		
Trade Payable		
Asian Honda Motor Co. Limited, Thailand	203	421
Honda Trading Corporation, Japan	305	151
Honda Trading Asia Co. Ltd., Thailand	314	192
Honda Trading Corporation India Private Limited, India	93	130
Others	222	199
Trade Receivable		
American Honda Motor Co. Inc, USA	2,975	4,923
Honda Australia Motorcycle and Power Equipment Pty Ltd, Australia	-	141
Honda Canada Inc., Canada	2,010	1,142
Honda Motorcycle and Scooter India Private Limited, India	337	284
HONDA GULF FZE	-	65
Others	114	264
Loan to fellow subsidiary		
Honda Cars India Limited, India	-	16,000
Interest accrued on loan to fellow subsidiary		
Honda Cars India Limited, India	-	91
Other Recoverable		
Honda R&D (India) Pvt. Limited, India	1	1
Asian Honda Motor Co. Limited, Thailand	124	-
Others	51	3
Advance from customers		
Honda Motor Europe Limited, United Kingdom	112	0
Others	0	1

There is no impairment allowance recognized in respect of receivables due from related parties.

(f) Terms and conditions

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and settled in cash.

Note 31: Contingent liabilities

The Company has contingent liabilities at the year end in respect of:

	March 31, 2022	March 31, 2021
Claims against the Company not acknowledged as debts		
Income tax matters	11,101	7,774
Customs matters	93	81
Sales tax matters	290	347
Other matters	55	55

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Notes

- (i) In respect of the matters above, the amount represents the demands received under the respective demand/ show cause notices/ legal claims, wherever applicable.
- (ii) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- (iii) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iv) The Company has received a show cause notice dated May 30, 2018 from Regional Commissioner - Noida under section 7A of the Employees' Provident Fund and Miscellaneous Provisions Act 1952 challenging the salary structure used for determining the liability under the act in case of International workers. Presently the proceedings subsequent to the notice are in data collection stage and no demand has been raised on the Company.

The Company has filed a writ petition against the show cause notice and proceedings thereto, in Allahabad High court, wherein the Hon'able High court in their order dated April 30, 2019 directed that any final order passed by the Provident Fund authorities will be subject to the disposal of the present writ petition.

Based on the opinion obtained from external legal expert's, the management has assessed that the Company has a good case in the said matter.

- (v) The Company will continue to assess the impact of further developments relating to retrospective application of Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation on non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.
- (vi) The Company's major export is to its fellow subsidiaries located in the United States of America (USA), Canada, Australia, United Kingdom (UK) and the countries in European Union (EU) and European Free Trade Association (EFTA).

In line with the regulatory requirements of the above mentioned countries, the Company is required to do product line testing (PLT) on regular intervals for one of the key products being sold to these countries to comply with emission norms. Results of such testing done during 2nd half of the financial year 2021-22, were not in confirmation with required norms in case of Australia, UK, and the countries in EU/EFTA and exceeded the declarations on the products but within the required norms in case of USA and Canada models.

As a precautionary measure, the Company stopped dispatches during March 2022 and is further analyzing the root cause. Further, the Company is assessing the coverage and its monetary impact which may be in the form of replacement cost of components in the products and regulatory fees, if any, in the importing countries.

The Company would be engaging with a lawyer after ascertaining the root cause for this issue along with countermeasures for taking up the matter with regulatory authorities in related regions.

Considering the above-mentioned facts, it is not practicable for the management to make reasonable estimate regarding the ultimate outcome of the matter and the corresponding impact in the current financial statements.

Note 32: Commitments

(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities (net of advances) is as follows

	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	436	389

(b) Operating leases

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

The Company enters into operating lease arrangements for 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 month's notice or by paying the notice period rent in lieu thereof.
- the lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.

	March 31, 2022	March 31, 2021
b) Rental expense relating to operating lease	299	274
Total	299	274

c) There are no future minimum lease payments under non-cancellable operating lease.

Note 33: Events occurring after the reporting period

Refer to note 28(b) for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Note-34: Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

Ratio	Methodology	March 31, 2022	March 31, 2021	% Variance	Reason of Variance above 25%
Current Ratio	Current Assets over Current liabilities	3.29	3.27	0.69%	The Change in ratio from March 31, 2021 is less than 25%, hence not required to be explained
Debt-Equity Ratio	Debt over Total Shareholder's Equity	0.00*	0.00*	0.00%	The Change in ratio from March 31, 2021 is less than 25%, hence not required to be explained
Debt Service Coverage Ratio	Earning Before Interest, Taxes, Depreciation and Amortization over Current Debt	147.59	109.61	34.65%	The increase in Debt service coverage ratio from March 31, 2021 is on account of increase in EBIT during the year ended March 31, 2022.
Return On Equity Ratio	Profit for the year over Total average equity	11.69%	8.28%	41.09%	The increase in Return on equity ratio from March 31, 2021 is on account of increase in net profit after tax during the year ended March 31, 2022.
Inventory Turnover Ratio	Sale of Products over Total average inventory	6.71	4.95	35.71%	The Increase in Inventory Turnover ratio from March 31, 2021 is on account of increase in Total Sales during the year ended March 31, 2022.
Trade Receivable Turnover Ratio	Revenue from operations over average trade receivables	13.65	14.25	-4.17%	The Change in ratio from March 31, 2021 is less than 25%, hence not required to be explained
Trade Payable Turnover Ratio	Adjusted expenses over average trade payables	8.16	7.01	16.40%	The Change in ratio from March 31, 2021 is less than 25%, hence not required to be explained
Net Capital Turnover Ratio	Revenue from operations over average working capital	2.72	2.27	19.98%	The Change in ratio from March 31, 2021 is less than 25%, hence not required to be explained
Net Profit Ratio	Profit for the year over revenue from operations	6.45%	5.18%	24.34%	The Change in ratio from March 31, 2021 is less than 25%, hence not required to be explained
Return On Capital Employed	Earning Before Interest and Taxes over average capital employed	15.73%	11.28%	39.49%	The Increase in Return on capital employed ratio from March 31, 2021 is on account of increase in EBIT during the year ended March 31, 2022.
Return on Investment	Profit for the year over Total Assets	8.65%	6.15%	40.60%	The Increase in Return on investment ratio from March 31, 2021 is on account of increase in net profit during the year ended March 31, 2022.

*below to two decimal places

Wherever the term "average" is used, the average has been computed as follows: (Balance as at beginning of the year + Balance as at end of year)/2

Notes:

Debt: current and non-current lease liabilities.

Current Debt: Current year lease payments

Adjusted expenses refers to Purchase and other expenses net of non-cash expenses

Capital employed refers to total shareholders' equity and debt

Working capital: Current assets - Current Liabilities

Note 35: Earnings per share

	March 31, 2022	March 31, 2021
Net profit attributable to the equity holders of the Company	7,453	4,867
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	10,143,071	10,143,071
Basic and diluted earnings per share	73.48	47.99

Note: There are no dilutive instruments

Note 36: Disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006 based on the information:

Particulars	March 31, 2022	March 31, 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-Principals	1,364	1,074
-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 supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in the 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 succeeding years, until such date when the interest dues as above are actually paid to small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Notes to the financial statements for the year ended March 31, 2022

(All amounts in INR lakhs, unless otherwise stated)

Note 37: Relationship with struck off Companies

Name of Struck off Companies	Nature of transactions with struck off Companies	Relationship with struck off Companies	Balance outstanding as on March 31, 2022	Balance outstanding as on March 31, 2021
Indian Metals And Ferro Alloys Limited	Receivables	Customer	-	-*
Bhumigeeta Media Pvt. Ltd	Payables	Vendor	-	-*

*less than 1 lakh

Note 38:

The Company has assessed the possible impact of COVID-19, considering internal and external factors, on liquidity position, carrying amount of Property, Plant and Equipment, Inventories, Receivables and Other Current Assets. Based on current economic conditions, the Company expects to recover the carrying amount of these assets.

Accordingly, as on date, the management doesn't foresee any material impact on its financial statements.

Note 39: Additional regulatory information required by Schedule-III

(i) Details of Benami Property:

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets:

The Company does not have any borrowings from banks and financial institutions on the basis of security of current assets.

(iii) Wilful Defaulter:

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Compliance with number of layers of companies

The Company does not have any subsidiaries.

(v) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(vi) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

The above balance sheet should be read in conjunction with the accompanying notes.

This is the balance sheet referred to in our report of even date.

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration No. 012754N/ N500016

For and on behalf of the Board of Directors of
Honda India Power Products Limited
(formerly known as Honda Siel Power Products Limited)

Abhishek Rara
Partner
Membership No. 077779

Sunita Ganjoo
Company Secretary
Membership No. : 33198

Takahiro Ueda
Manoj Arora
Ravi Prakash Mehrotra
Vinay Mittal

DIN : 08685990
DIN : 00844279
DIN : 06823899
DIN : 05242535

CMD and President & CEO
Director
Director
Whole time director & CFO

Place : New Delhi
Date : May 28, 2022



Honda India Power Products Limited

(Formerly known as Honda Siel Power Products Limited)

CIN: L40103DL2004PLC203950

📍 Registered Office:-

409, Tower B, DLF Commercial Complex Jasola, New Delhi - 110025

📍 Head Office & Works:-

Plot No. 5, Sector-41, (Kasna) Greater Noida Industrial Development Area,
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