

HONDA

Honda Siel Power Products Ltd.

Head Office & Works :
Plot No. 5, Sector-41, (Kasna)
Greater Noida Industrial Development Area,
Distt. Gautam Budh Nagar (U.P.) Pin-201310
Tel. : +91-120-259 0100
Fax : +91-120-234 1078-79
Website : www.hondasielpower.com
CIN : L40103DL2004PLC203950
E-mail : ho.mgt@hspp.com

July 08, 2019

Corporate Relationship Department

BSE Limited

Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street, Fort,

Mumbai – 400 001

Listing Department

The National Stock Exchange of India Ltd.

Exchange Plaza, 5th Floor,

Plot No. C/1, G- Block,

Bandra Kurla Complex Bandra (E),

Mumbai – 400 051

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

Dear Sir,

Pursuant to the amended Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Report for the Financial Year 2018-19 along with the notice of the ensuing Annual General Meeting is hereby enclosed.

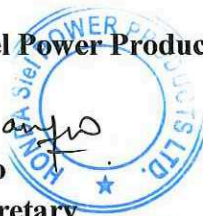
We request you to kindly take the aforementioned information on record.

Thanking you.

Yours Truly,

For **Honda Siel Power Products Limited**


Sunita Ganjoo
Company Secretary



Encl: as above

HONDA

34th
ANNUAL REPORT
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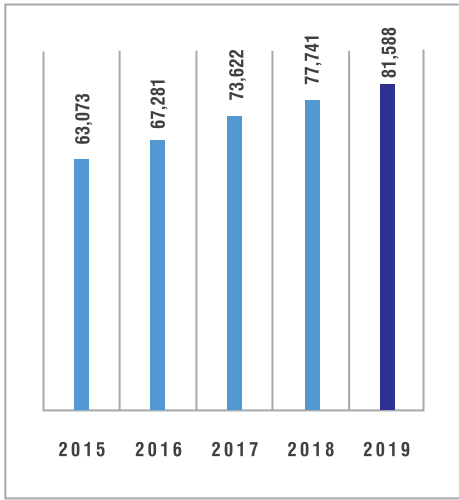


Honda Siel Power Products Limited

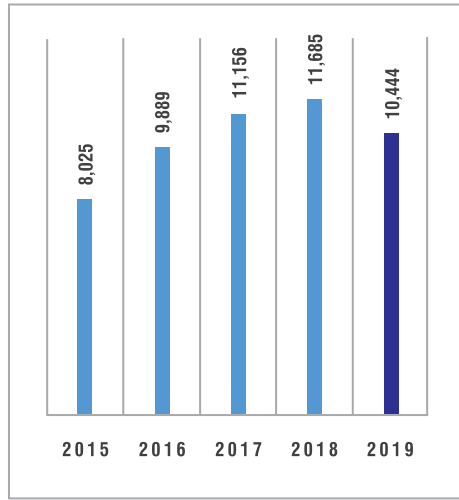


Key Financial Trends

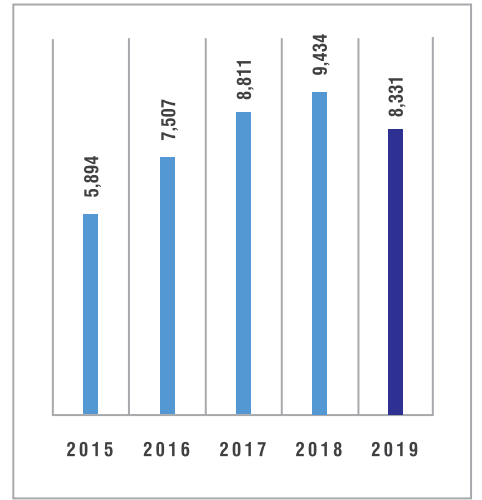
Operating Revenue (₹ lakhs)



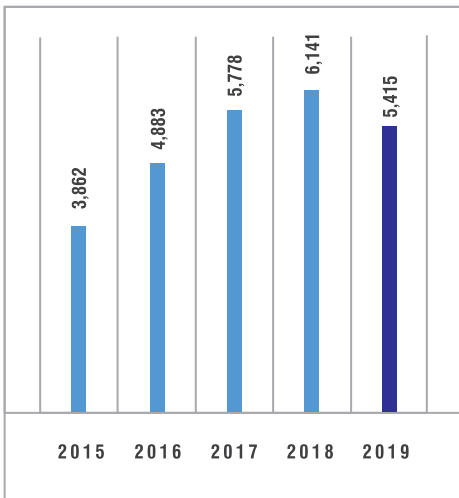
PBDT (₹ lakhs)



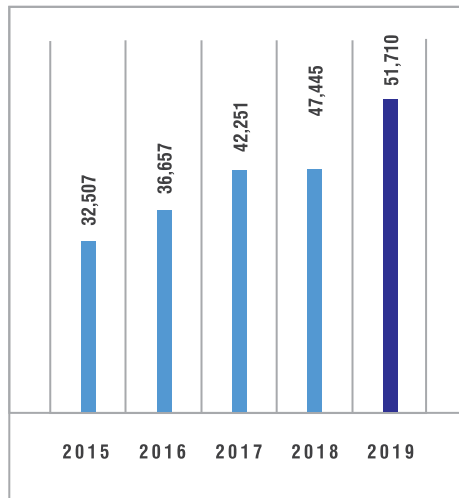
PBT (₹ lakhs)



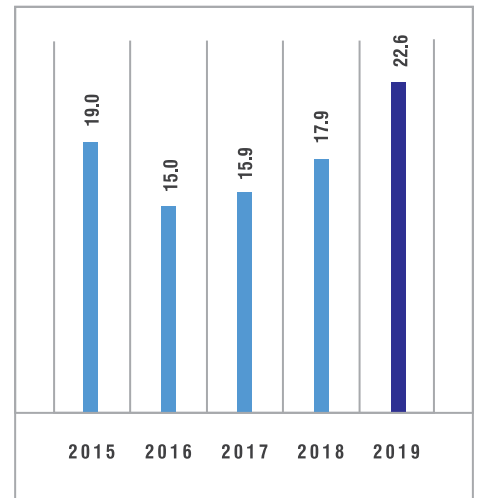
PAT (₹ lakhs)



Net worth (₹ lakhs)



Dividend Payout Ratio inclusive DDT (%)



Note : FY 17, FY 18 and FY 19 figures are as per Ind-AS

Corporate Information

Board of Directors

Mr. Siddharth Shriram
Chairman

Mr. Manoj Arora
Director

Ms. Alka Marezban Bharucha
Director

Mr. Yoshifumi Iida
President, CEO & MD

Mr. Hiroyoshi Sugimizu
Whole Time Director

Mr. Vinay Mittal
Whole Time Director & CFO

Company Secretary

Ms. Sunita Ganjoo

Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP
Building No. 8, 7th & 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 34th Annual General Meeting of the Members of the Company will be held on August 07, 2019 (Wednesday) at Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110 001 at 11:00 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2019, 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. Yoshifumi Iida (DIN 07136925), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. Re-appointment of Mr. Manoj Arora as an Independent Director (DIN 00844279)

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 provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to the approval of the Nomination and Remuneration Committee, the action of the Board of Directors of the Company in re-appointing, Mr. Manoj Arora (DIN 00844279), Independent Non-Executive Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time as an Independent Non-Executive Director of the Company to hold office for second term of five consecutive years with effect from 1st March, 2019 to 29th February, 2024 and whose office shall not be liable to retire by rotation, be and is hereby ratified and confirmed.

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

5. Eligibility for re-appointment of Ms. Alka Marezban Bharucha as an Independent Director (DIN 00114067)

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 provisions of Sections 149, 152 and any other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and pursuant to the approval of the Nomination and Remuneration Committee and the Board of

Directors of the Company, the Board of Directors of the Company be and is hereby authorized to re-appoint Ms. Alka Marezban Bharucha (DIN 00114067), Independent Non-Executive Director of the Company who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for re-appointment, for second term of five consecutive years with effect from 15th September 2019 to 14th September 2024 and whose office shall not be liable to retire by rotation.

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

6. Appointment of Mr. Siddharth Shriram as an Independent Director (DIN 00027750)

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 provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the approval of the Nomination and Remuneration Committee, the appointment by the Board of Directors of the Company, of Mr. Siddharth Shriram (DIN 00027750), who is qualified for being appointed as an Independent Director, as an Independent Director of the Company to hold office for a term of five consecutive years with effect from 1st April 2019 to 31st March 2024 and whose office shall not be liable to retire by rotation be and is hereby approved.

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

7. Revision in remuneration of Mr. Hiroyoshi Sugimizu, Whole Time Director (DIN 06848213)

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 197, 198 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and subject to the approvals as may be required, consent of the Members be and is hereby accorded for revision in remuneration of Mr. Hiroyoshi Sugimizu (DIN 06848213), Whole Time Director of the Company with effect from February 01, 2019 as under:

Special Allowance : ₹ 12,50,000/- (Rupees Twelve Lakh Fifty Thousand) per month

RESOLVED FURTHER THAT the other components of remuneration and terms of appointment of Mr. Hiroyoshi Sugimizu, as approved at the Annual General Meeting of the Company held on August 05, 2014 and August 04, 2017 respectively shall remain the same.

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.”

8. Re-appointment and fixing of remuneration of Mr. Hiroyoshi Sugimizu as Whole Time Director of the Company (DIN 06848213)

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

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to the re-appointment by the Board of Directors of Mr. Hiroyoshi Sugimizu (DIN: 06848213) as a Whole Time Director of the Company, for a further period of 5 (five) years from the expiry of his present term of office, i.e. with effect from April 01, 2019 on the following terms and conditions, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit:

Salary

Basic ₹ 75,000/- (Rupees Seventy Five Thousand only) per month.

Salary reimbursement to Japan Not exceeding ₹ 12,00,000/- (Rupees Twelve Lakh only) per month to be reimbursed on actual basis.

Perquisites

Housing and Hard Furnishing As per Company Rules.

Special Allowance Not exceeding ₹ 12,50,000/- (Rupees Twelve Lakh fifty thousand only) per month.

Medical reimbursement Actual medical expenses to be borne by the Company.

Health Inspection/ Medical Check Up Cost of Air Tickets (economy class) for travel to Japan for health inspection/ medical check up twice a year for self and family.

Membership fee for Japanese Association ₹ 1,000/- (Rupees One Thousand only) per month.

Club Fee Admission fee, monthly and annual charges, for one Club.

Personal Accident Insurance Premium not to exceed ₹ 2,000/- (Rupees Two thousand only) per annum.

Insurance of Household Goods Premium not to exceed ₹ 750/- (Rupees Seven Hundred Fifty only) per annum.

Medical Insurance Premium not to exceed ₹ 10,000/- (Rupees ten thousand only) per annum.

Reimbursement of expenses incurred on joining duty and returning to home country after completion of tenure Cost of air ticket (economy class) and actual expenses incurred on travel pertaining to self and family and on packing, forwarding, loading/unloading as well as freight, insurance, customs duty, clearing expenses, local transportation and installation expenses in connection with the moving of personal effects for self and family for joining duty in India, in case these have not been claimed from the previous employer. After completion of the tenure, such expenses would be reimbursed if the Whole Time Director leaves for the home country.

Car Company car with driver, including petrol, maintenance expenses, road tax and insurance charges for official use.

Leave 35 days per year of service (i.e. 365 days from date of arrival)

Leave may be accumulated but encashment will not be permissible.

Plus

In case of death or imminent danger of death of immediate member of a family i.e. mother, father, wife and children left behind in Japan, special home leave will be granted for reasonable sufficient period. Round trip air ticket shall also be provided by the Company.

Subsidy for recreation Subsidy for recreation ₹ 24,000/- (Rupees Twenty Four Thousand only) per annum.

Miscellaneous expenses At actuals, to cover Import duty and charges for Japanese food, electricity, water, fuel, maintenance for generator at home, security guard, pest control, all repair and maintenance expenses at house such as electric goods, furniture etc.

Provident Fund/Gratuity As per Act.

RESOLVED FURTHER THAT the remuneration as aforesaid, shall be paid as minimum remuneration for any year in the event of absence or inadequacy of profits for such year.

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

9. 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 provisions of Section 197, 198 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 or any amendment(s) or modification(s) thereof and subject to the approvals as may be necessary and pursuant to the approval of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Shareholders be and is hereby accorded for payment of remuneration to Mr. Vinay Mittal, Whole Time Director (DIN 05242535) of the Company, for the period from 01.04.2019 to 31.03.2020 (both days inclusive) as per the following particulars:

Basic Salary	₹ 4,13,215/- (Rupees Four Lakh Thirteen Thousand Two Hundred Fifteen only) per month.
Perquisites	
Housing Allowance	₹ 2,06,608/- (Rupees Two Lakh Six Thousand Six Hundred Eight only) per month.
Special Allowance	₹ 3,06,805/- (Rupees Three Lakh Six Thousand Eight Hundred Five only) per month.
Medical reimbursement	₹ 1,250/- (Rupees One Thousand Two Hundred Fifty 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	₹ 51,652/- (Rupees Fifty One Thousand Six Hundred Fifty Two only) per month.
Club Fees	One Club

Personal Accident Insurance, Medical Insurance, Car (including driver, Maintenance and fuel), Telephone, Provident Fund, Superannuation Fund, Gratuity, Leave, Interest Subsidy on Housing Loan, Variable Pay shall be paid as per the Company policy.

RESOLVED FURTHER THAT the reimbursement of leave travel concession and other perquisites, benefits, leave accrued to Mr. Vinay Mittal till 31.03.2019, not availed off, be and are hereby approved to be carried forward.

RESOLVED FURTHER THAT the remuneration as aforesaid, shall be paid as minimum remuneration for any year in the event of absence or inadequacy of profits for such year.

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

10. To approve and ratify 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 2019-20, amounting to ₹ 1,15,000/- (Rupees One Lakh Fifteen 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.”

11. Material Related Party Transactions

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

RESOLVED THAT in accordance with Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as modified from time to time) and applicable provisions of the Companies Act, 2013 (“Act”) and Rules made thereunder, consent of the Members of the Company be and is hereby accorded to ratify/approve the following Material Related Party Transactions entered into/ to be entered into by the Company in the ordinary course of business and at arm’s length basis with the Related Parties, as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2 (zb) of the Listing Regulations, during the period from April 01, 2018 to March 31, 2021:

Name of the Related Party	Nature of Relation	Nature, duration and particulars of the contract/ arrangement	FY 2018-19 For Ratification (₹/ Lakh)	FY 2019-2020 (₹/ Lakh)	FY 2020-2021 (₹/ Lakh)	Basis	Explanation
Honda Motor Co. Ltd., Japan	Holding Company	Royalty	-	3,800	4,200	6% on sale price adjusted for other cost as per agreement. Same as last year as per Existing Contract	Rate of royalty paid by the Company compared with terms agreed between unrelated parties
		Export Commission	-	3,300	3,600	8% on FOB value of Export Sale. Same as last year as per existing Contract	Rate of export commission paid by the Company compared with payment made in the domestic segment or terms agreed between unrelated parties

Name of the Related Party	Nature of Relation	Nature, duration and particulars of the contract/ arrangement	FY 2018-19 For Ratification (₹/ Lakh)	FY 2019-2020 (₹/ Lakh)	FY 2020-2021 (₹/ Lakh)	Basis	Explanation
		Technical Guidance Fee	-	1,000	1,100	Monthly labour cost of technicians and actual expenses incurred	The Company's margin (OP/ TC) compared with companies engaged in similar manufacturing activities or overseas related party's margin compared with other service providers.
		Purchase of Raw Material, Components, Consumables	-	5,500	6,000	Cost Plus basis.	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities.
		Purchase of finished goods and spares	2,130	2,500	2,800	Cost Plus basis.	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities.
		Purchase of Capital goods	-	100	100	Cost Plus basis.	Related Party's margin (OP/TC) on sale compared with companies in similar region
		Reimbursement received and paid including warranty expenses	-	1,200	1,300	Actual basis	Evidence/Representation that price recovered is the actual cost incurred for warranty / other expenses
		Export Sale of finished goods & spares	-	1,200	1,400	Pricing/Terms & Conditions are not more favourable than the sales made to unrelated party	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities.
		Model fee	-	140	140	Lumpsum fee as per agreement	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities.
Asian Honda Motor Co. Ltd., Thailand	Fellow Subsidiary	Purchase of Raw Material, Components, Consumables, Spares	-	5,000	5,500	Cost Plus basis.	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities.
		Purchase of finished goods	4,536	6,000	6,500	Cost Plus basis.	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities.
		Reimbursement received and paid including warranty expenses	79	200	200	Actual basis	Evidence/Representation that price recovered is the actual cost incurred for warranty / other expenses
		Export Sale of finished goods & spares	-	100	110	Pricing/Terms & Conditions are not more favourable than the sales made to unrelated party	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities.
American Honda Motor Co. Inc., America	Fellow Subsidiary	Export Sale of finished goods & spares	-	34,000	38,000	Pricing/Terms & Conditions are not more favourable than the sales made to unrelated party	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities.
		Purchase of finished goods and spares	1	10	10	Cost Plus basis.	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities.
		Reimbursement received and paid including warranty expenses	-	300	350	Actual basis	Evidence/Representation that price recovered is the actual cost incurred for warranty / other expenses

Name of the Related Party	Nature of Relation	Nature, duration and particulars of the contract/ arrangement	FY 2018-19 For Ratification (₹/Lakh)	FY 2019-2020 (₹/Lakh)	FY 2020-2021 (₹/Lakh)	Basis	Explanation
Honda Cars India Ltd., India	Fellow Subsidiary	Sale of finished goods & spares	359	800	900	Cost plus basis	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities.
		Reimbursement received and paid including warranty expenses	21	75	75	Actual basis	Evidence/Representation that price recovered is the actual cost incurred for warranty / other expenses
		Receipt of Support Service fees	178	250	270	Pricing/Terms & Conditions are not more favourable compared to unrelated party	Evidence/Representation that price recovered is the actual cost incurred for warranty / other expenses
		Purchase of Spares	11	30	30	Cost plus basis	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities.
		Interest received on loan	195	1,300	1,400	Market Rates	Pricing/Terms & Conditions are favourable than market rates
		Loan	16,000	16,000	16,000	Funds availability	Pricing/Terms & Conditions are favourable than market rates

RESOLVED FURTHER THAT the value of the transactions as above can vary within a limit of (+) 10% on the approved terms and conditions provided that such increase shall be limited to not more than Rs. 1(One) Crore per transaction.

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

Place: New Delhi
Date: May 28, 2019

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

Sd/-
Sunita Ganjoo
Company Secretary

NOTES

- None of the Directors, Key Managerial Persons or their relatives have any concern, financial or otherwise and does not have any conflict of interest in Item No. 4 to Item No. 11 except as expressed under the respective items in the explanatory statement.
- The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, (' Act') concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL EQUITY SHARE CAPITAL OF THE COMPANY. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL EQUITY SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER SHAREHOLDER.**

THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ATTACHED TO THIS REPORT. PROXIES SUBMITTED ON BEHALF OF SHAREHOLDERS WHO ARE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/

AUTHORITY.

- 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.
- Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from August 01, 2019 to August 07, 2019 (both days inclusive).
- Payment of Dividend**

The Dividend on Equity Shares for the year ended March 31, 2019, as recommended by the Board, if declared at the meeting will be paid as follows:

- In respect of shares held in physical form, to those Members whose names appear in the Register of Members of the Company on August 07, 2019 after giving effect to all valid share transfers lodged with the Company on or before July 31, 2019.
- In respect of shares held in electronic form, to those beneficial owners whose names appear in the statement of beneficial owners furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the end of business hours on July 31, 2019.

The members are hereby informed that the Company would transfer the dividends which remain unclaimed over a period of

7 years to the Investor Education and Protection Fund ('IEPF') established under Section 125 of the Companies Act, 2013.

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 2010-11 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
2011-12	31.08.2012	30.09.2019
2012-13	05.08.2013	04.09.2020
2013-14	05.08.2014	04.09.2021
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

In terms of provisions of Section 124(6) of Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shares on which dividend has not been encashed/claimed for a continuous period of seven years i.e. from F.Y. 2011-12 alongwith the dividend thereof shall be transferred by the Company to Investor Education and Protection Fund.

In accordance with the aforesaid IEPF Rules, the Company shall send notices to such shareholders whose shares are due to be transferred to IEPF Authority and a newspaper advertisement in this regard shall also be published.

The details of the shareholders as mentioned above, shall be updated on the website of the Company (www.hondasielpower.com).

Further, the Company will not be in a position to entertain claims of the shareholders for the unclaimed dividends, which have been transferred to the credit of IEPF. Accordingly, the shareholders are advised to send all the uncashed dividend warrants pertaining to the years 2011-12 and upto 2017-18 to our Share Transfer Agent at New Delhi for issuing demand drafts in lieu thereof and encash them before the due dates for transfer to IEPF.

8. a. Members holding the shares in electronic mode may please note that their dividend would be paid through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their Depository Participants (DPs). In the absence of availability of NECS/ECS facility, the dividend would be paid through warrants and the Bank details, as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable Regulations. A blank ECS Mandate Form is annexed. The same is also available on the website of the Company at www.hondasielpower.com.
- b. Members are requested to send their Bank Account particulars (viz. Account No., name and Branch of the Bank and the MICR code) to their DPs, in case the shares are held in electronic mode or to the Registrar and Share Transfer

Agent in case the shares are held in physical mode, for printing on dividend warrant/instruction to ensure that there is no fraudulent encashment/credit of the warrants.

9. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities of listed companies can only be transferred in dematerialised form with effect from 1st April, 2019. In view of the above, members are advised to dematerialise shares held by them in physical form.
10. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial statements, Board's report etc. and this Notice is being sent by electronic mode, to those members who have registered their email IDs with their respective Depository Participants or with the Share Transfer Agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to ho.legal@hspp.com or info@masserv.com mentioning your Folio/DP ID & Client ID.
Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on August 13, 2018 (date of last Annual General Meeting) on the website of the Company (www.hondasielpower.com), as also on the website of the Ministry of Corporate Affairs.
11. Members may also note that the Notice of the 34th Annual General Meeting and the Annual Report for Financial Year 2018-19 is also available on the Company's website www.hondasielpower.com.
12. Documents referred to in the accompanying notice are open for inspection 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 and at the venue of the Meeting.
13. **Voting through electronic means**
 - i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") is provided by Central Depository Services (India) Limited (CDSL).
 - ii. The facility for voting through ballot paper will be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - iii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

- iv. The Board of Directors of the Company has appointed Mr. Tanuj Vohra of M/s TVA & LLP, Practising Company Secretaries as Scrutiniser to scrutinise the poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.
- v. The results will be declared within 48 hours after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report will be placed on the Company's website www.hondasielpower.com and on the website of CDSL e-Voting www.evotingindia.com and the same will also be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
- vi. Voting shall be reckoned on the paid-up value of shares registered in the name of member/ beneficial owner (in case of electronic shareholding) as on the cut off date i.e. July 31, 2019, the date prior to the commencement of Book closure. Only those persons, whose names are recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off-date i.e. July 31, 2019 will be entitled to avail the remote e-voting facility.
- vii. Any person, who acquires shares in the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. July 31, 2019, may follow the same procedure as mentioned below for remote e-voting. However, if the member is already registered with CDSL for remote e-voting then he/she can use his/her existing password for casting their votes. If the member has forgotten his/her login password then he/she may go to website www.evotingindia.com then click on Shareholders, enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- viii. **Instructions and other information relating to remote e-voting**
 - (i) The remote e-voting facility will be available during the following period:
 - Commencement of remote e-voting - from 9:00 am onwards on Sunday, August 04, 2019.
 - End of remote e-voting - upto 5:00 pm on Tuesday, August 06, 2019.
 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. July 31, 2019, 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, the member will not be allowed to change it subsequently.
 - (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (iii) Click on Shareholders/Members.
 - (iv) 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. Members holding shares in Physical Form

should enter Folio Number registered with the Company.

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

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for shareholding in demat as well as in physical form)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
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 (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Honda Siel Power Products Ltd.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you **“CONFIRM”** your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on **“Click here to print”** option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their votes using CDSL’s mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) **Note 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 as Corporates.
 - 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 on.
 - The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) 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.
14. Information regarding variation in the remuneration of Directors 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 Obligations and Disclosure Requirements) Regulations, 2015 are annexed hereto.
15. Members are requested to:
- a) Send their queries, if any, to reach the Company’s Registered Office at 409, Tower-B, DLF Commercial Complex, Jasola, New Delhi-110025 at least 10 days before the date of the Meeting so that information can be made available at the Meeting.
 - b) Avail the dematerialization facility and get their shareholding dematerialized by sending the Dematerialization Request Form along with the Share Certificates through their Depository Participant.
 - c) Notify immediately any change in their address to the Company or to the Company’s Registrar and Share Transfer Agent quoting their folio number and also notify their e-mail address for prompt response.
16. M/s Mas Services Ltd. is Registrar and Share Transfer Agent of the Company. All investor related communication may be addressed to:
- M/s Mas Services Limited**
Unit: Honda Siel Power Products Limited
T-34, 2nd Floor, Okhla Industrial Area, Phase-II,
New Delhi-110 020
Ph:- 011 26387281/82/83, Fax:- 011 26387384
email:- info@masserv.com, Website: www.masserv.com
17. The SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to M/s Mas Services Ltd., Registrar and Share Transfer Agent of the Company.
18. 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 M/s Mas Services Ltd., Registrar and Share Transfer Agent of the Company.
19. 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.
20. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the venue of AGM.
21. As per the requirement of the Secretarial Standard-2 on “General Meeting”, Route Map showing directions to reach to the venue of the 34th Annual General Meeting is given at the end of this Notice.
22. **Members may please note that briefcase, bag, mobile phone and/or eatables shall not be allowed to be taken inside the hall for security reasons.**

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 Standards, as on the date of Notice.

Name of the Director	Mr. Siddharth Shriram	Mr. Manoj Arora	Ms. Alka Marezban Bharucha	Mr. Yoshifumi Iida	Mr. Hiroyoshi Sugimizu	Mr. Vinay Mittal
DIN	00027750	00844279	00114067	07136925	06848213	05242535
Age/Years	74	60	62	55	57	52
Date of appointment / re-appointment	01.04.2019	01.03.2019	15.09.2014	01.04.2015	01.04.2019	01.04.2017
Expertise in specific functional Areas/ brief resume	Mr. Siddharth Shriram is an Industrialist and has been managing various industries like Engineering, Chemicals and Sugar. His association with Citibank has enabled him to acquire significant working knowledge in Finance and Banking areas.	Mr. Manoj Arora has over 25 years of work experience at the bar. Mr. Arora specializes in transactional Law, mergers and acquisitions, corporate structuring and corporate laws. He was formerly the Counsel for the Revenue Service in the Supreme Court of India.	Ms. Bharucha has vast and rich work experience at the bar. Her core areas of expertise are mergers & acquisitions, joint ventures, banking & finance and private equity.	Mr. Iida has expertise in domestic sales, sales network building, strengthening business and staff training. He also has expertise in export business, business planning and execution, market planning and sales activities.	Mr. Sugimizu has expertise in management of equipment in Assembly/ processing area, gathering and implementation of field quality information, facilitation of failure analysis and countermeasures thereof, management of personnel, materials, investment and information at the plant.	Mr. Mittal has around 28 years of wide and varied experience in the field of Finance & Accounting, Direct & Indirect Tax, Imports, Secretarial and General Management in various industries.
Qualifications	Graduation from St. Stephen College- Delhi University M.Sc. in Management from MIT, USA as a Sloan Fellow	LLB	LL.B, LL.M	Graduate Major – Industrial Relations	Graduate-General Course	- Graduate in Commerce from Delhi University - Fellow Member of The ICAI
Name of other Indian companies in which directorship held	1. SIEL Industrial Estate Limited 2. V.V. Servotech Private Limited 3. SIEL Infrastructure & Estate Developers Pvt. Ltd.	1. Tanmay Constructions Pvt Ltd. 2. ION Trading India Pvt Ltd. 3. Airjaldi Networks Research & Innovation 4. Rural Boardband Pvt. Ltd. 5. Full circle Financial Services India Pvt. Ltd. 6. Honda Cars India Ltd. 7. Triple Point Technology (India) Pvt. Ltd.	1. Safalya Investment & Traders Pvt. Ltd. 2. Suyojit Investment & Engineering Pvt Ltd.(struck-off-28 Nov.2018) 3. Honda Cars India Ltd. 4. Aditya Birla Finance Ltd. 5. Aditya Birla Sun Life AMC Ltd. 6. Ultratech Cement Ltd. 7. Orient Electric Ltd. 8. Birla Estates Pvt. Ltd. 9. Birlasoft Ltd. 10. Hindalco Industries Ltd. 11. Ultratech Nathdwara Cement Ltd.	NIL	NIL	NIL

Name of the Director	Mr. Siddharth Shriram	Mr. Manoj Arora	Ms. Aika Marezban Bharucha	Mr. Yoshifumi Iida	Mr. Hiroyoshi Sugimizu	Mr. Vinay Mittal
Chairperson/ Member of Board Committees in Indian Companies	<p>Honda Siel Power Products Limited</p> <ul style="list-style-type: none"> - CSR[*] - Chairman - SRC^{**} - Chairman - NRC^{***} - Member - AC[#] - Chairman <p>Siel Industrial Estate Limited</p> <ul style="list-style-type: none"> - AC[#] - Chairman 	<p>Honda Siel Power Products Limited</p> <ul style="list-style-type: none"> - AC[#] - Member - NRC^{***} - Chairman <p>Honda Cars India Limited</p> <ul style="list-style-type: none"> - NRC^{***} - Chairman - AC[#] - Member - CSR[*] - Member 	<p>Honda Siel Power Products Limited</p> <ul style="list-style-type: none"> - AC[#] - Member - NRC^{***} - Member <p>Honda Cars India Limited</p> <ul style="list-style-type: none"> - AC[#] - Chairman - NRC^{***} - Member <p>Orient Electric Limited</p> <ul style="list-style-type: none"> - SRC^{**} - Chairman - NRC^{***} - Member - AC[#] - Member - RMC^{###} - Member <p>Birla Soft Limited</p> <ul style="list-style-type: none"> - SRC^{**} - Chairman - RMC^{###} - Member - AC[#] - Member <p>Ultratech Cement Limited</p> <ul style="list-style-type: none"> - AC[#] - Member <p>Ultratech Nathdwara Cement Limited</p> <ul style="list-style-type: none"> - AC[#] - Member - NRC^{***} - Member - CSR[*] - Member 	<p>Honda Siel Power Products Limited</p> <ul style="list-style-type: none"> - BCFM^{###} - Chairman - AC[#] - Member - SRC^{**} - Member - CSR[*] - Member - RMC^{###} - Member 	<p>Honda Siel Power Products Limited</p> <ul style="list-style-type: none"> - BCFM^{###} - Member 	<p>Honda Siel Power Products Limited</p> <ul style="list-style-type: none"> - SRC^{**} - Member - CSR[*] - Member - BCFM^{###} - Member - RMC^{###} - Member
Shareholding in the Company	50 equity shares of Rs.10 each	NIL	NIL	NIL	NIL	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL	NIL	NIL	NIL	NIL	NIL
The number of Meetings of the Board attended during the year	5	5	2	4	3	5
Remuneration to be paid	Except sitting fees no remuneration is paid	Except sitting fees no remuneration is paid	Except sitting fees no remuneration is paid	₹ 20.25 lakh p.m. (approx)	Details of remuneration provided in the resolution	Details of remuneration provided in the resolution
Remuneration last drawn	Not applicable	Not applicable	Not applicable	₹ 20.07 lakh	₹ 17.59 lakh p.m.	₹ 10.55 lakh p.m.
Relationship	There are no inter-se relationships between the Directors and other Board Members					

* Corporate Social Responsibility Committee
 ** Stakeholders Relationship Committee
 *** Nomination & Remuneration Committee

Audit Committee
 ## Board Committee on Financial Matters
 ### Risk Management Committee

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

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice.

The statement of the particulars pertaining to Item No. 4 to 11 below, pursuant to the Companies Act, 2013, Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Secretarial Standard on General Meetings forms part of Annual General Meeting Notice.

ITEM NO. 4

Mr. Manoj Arora was appointed as an Independent Directors on the Board of the Company pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges.

The Board of Directors, on the basis of the report of performance evaluation of Independent Directors and the recommendation of the Nomination and Remuneration Committee, has re-appointed Mr. Manoj Arora as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company. The Board considers that given the background and experience and contributions made by Mr. Arora during his tenure, the continued association of Mr. Arora would be beneficial to the Company and hence it is desirable to continue to avail his services as an Independent Director.

The re-appointment of Mr. Manoj Arora as an Independent Director requires your ratification and confirmation.

The Company has received declaration from Mr. Arora stating that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. He has also given his consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Mr. Arora fulfils the conditions specified under Section 149(6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Non-Executive Director of the Company and is independent of the Management.

Copy of the draft letter for appointment of Mr. Arora as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members 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 and at the venue of the meeting.

Except Mr. Manoj Arora, being an appointee and his relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM. Mr. Arora is not related to any Director of the Company.

ITEM NO. 5

Ms. Alka Marezban Bharucha was appointed as an Independent Director on the Board of the Company with effect from September 15, 2014 pursuant to the provisions of Section 149 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the stock exchanges. The present term of Ms. Bharucha will expire on September 14, 2019.

The Board of Directors, on the basis of the report of performance evaluation of Independent Directors and the recommendation of the Nomination and Remuneration Committee, has recommended re-appointment of Ms. Alka Marezban Bharucha as Independent Director for a second term of 5 (five) consecutive years on the Board of the Company. The Board considers that given the background and experience and contribution being made by Ms. Bharucha to the working of the Company, the continued association of Ms. Bharucha would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director.

Accordingly, it is proposed that the Board of Directors of the Company be authorized to re-appoint Ms. Bharucha as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company on the expiry of her current term.

The Company has received declaration from Ms. Bharucha stating that she meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. She has also given her consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, Ms. Bharucha fulfils the conditions specified under Section 149(6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her re-appointment as an Independent Non-Executive Director of the Company and is independent of the Management.

Copy of the draft letter for appointment of Ms. Bharucha as an Independent Non-Executive Director, setting out terms and conditions would be available for inspection without any fee by the members 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 and at the venue of the meeting.

Accordingly, the Board recommends passing of the Special Resolution in relation to re-appointment of Ms. Bharucha as an Independent Director for another term of five consecutive years with effect from 15th September 2019 to 14th September 2024, for the approval by the shareholders of the Company.

Except Ms. Alka Marezban Bharucha, being an appointee and her relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice of the AGM. Ms. Bharucha is not related to any Director of the Company.

ITEM NO. 6

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has proposed that Mr. Siddharth Shriram (DIN:00027750), be appointed as an Independent Director on the Board of the Company.

The appointment of Mr. Siddharth Shriram is effective with effect from April 01, 2019. Mr. Siddharth Shriram is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Siddharth Shriram that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In the opinion of the Board, Since Mr. Siddharth Shriram fulfils the conditions for his appointment as an Independent Director as specified in the Act and the Listing Regulations. Mr. Siddharth Shriram is independent of the Management and possesses appropriate skills, experience and knowledge.

In view of the fact that Mr. Shriram shall attain age of 75 years during his term of appointment, his appointment as Independent Director has therefore, been proposed through a Special Resolution in terms of SEBI LODR (Amendment), Regulations, 2018.

Copy of draft letter for appointment of Mr. Shriram as an Independent Non-Executive Director setting out terms and conditions would be available for inspection without any fee by the members 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 and at the venue of the meeting.

Except Mr. Siddharth Shriram, none of the Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the Notice.

The Board commends the Special Resolution set out at Item No. 6 of the Notice for approval by the members.

ITEM NO. 7

The Members in the Annual General Meeting held on August 05, 2014 had approved appointment and remuneration of Mr. Hiroyoshi Sugimizu as Whole Time Director of the Company for a period of five years effective April 01, 2014, liable to retire by rotation.

The Board of Directors at their meeting held on February 06, 2019, on the recommendation of Nomination and Remuneration Committee, approved and recommended revision in remuneration, as detailed in the resolution No. 7 above, of Mr. Hiroyoshi Sugimizu with effect from February 01, 2019 till the expiry of his tenure of appointment, for your approval.

The other terms of appointment and remuneration of Mr. Hiroyoshi Sugimizu as already approved by the members of the Company at their Meeting held on August 05, 2014 and August 04, 2017 respectively shall remain the same. The revised remuneration is proposed to be paid to Mr. Sugimizu in case of absence or inadequate profits.

The Board considers that the contribution of Mr. Hiroyoshi Sugimizu will be of immense benefit to the Company and recommends the revision in his remuneration for your approval.

Except Mr. Hiroyoshi Sugimizu, 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.

ITEM NO. 8

The Board of Directors of the Company in its meeting held on April 01, 2019 has, subject to approval of members, re-appointed Mr. Hiroyoshi Sugimizu (DIN:06848213) as a Whole Time Director for a further period of 5 (five) years from the expiry of his present term on March 31, 2019, on terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board. It is proposed to seek members' approval for the re-appointment and remuneration payable to Mr. Hiroyoshi Sugimizu as a Whole Time Director, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment and remuneration payable to Mr. Sugimizu are detailed in the resolution set out at Item No. 8 of the Notice.

Mr. Hiroyoshi Sugimizu satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act.

It is proposed to pay the same remuneration in the event of inadequacy or absence of profit in any financial year to Mr. Hiroyoshi Sugimizu.

Except Mr. Hiroyoshi Sugimizu, none of the other 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 commends the Special Resolution set out at Item No. 8 of the Notice for approval by the members.

ITEM NO. 9

The Members had approved the remuneration of Mr. Vinay Mittal as Whole Time Director of the Company from 01.04.2018 to 31.03.2019 at the Annual General Meeting of the Company held on August 13, 2018.

Pursuant to the recommendation of Nomination and Remuneration Committee and the Board of Directors, Remuneration to be paid to Mr. Vinay Mittal from 01.04.2019 to 31.03.2020 was approved by the Board on May 28, 2019.

The re-imburement of leave travel concession and other perquisites, benefits, leave accrued to him till 31.03.2019, if not availed off, have also been approved to be carried forward.

It is proposed to pay the same remuneration in the event of inadequacy or absence of profit to Mr. Vinay Mittal.

Except Mr. Vinay Mittal, none of the other 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 commends the Special Resolution set out at Item No. 9 of the Notice for approval by the members.

ITEM NO. 10

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 2019-20, at a remuneration of ₹ 1,15,000/- (Rupees One Lakh Fifteen 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. 10 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. 11

Pursuant to Section 188 of the Act, read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and prior approval of the members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as specified in the Rules. The transactions entered into/to be entered into with the related parties are in the ordinary course of business and on arm's length basis. However, pursuant to Regulation 23 of the Listing Regulations, approval of the

members through ordinary resolution is required for all material related party transactions. All the Related Party Transactions entered into/to be entered into by the Company are/would be 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/will be obtained, wherever required.

The transactions as described in the resolution above for the period from April 01, 2018 to March 31, 2021 have exceeded/are likely to exceed the materiality threshold as prescribed by Listing Regulations. Thus, in terms of the provisions of Listing Regulations, these transactions would require the approval of the members by way of an Ordinary Resolution and 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. Yoshifumi Iida, Mr. Hiroyoshi Sugimizu and Mr. Vinay Mittal may be deemed to be concerned in their capacity as nominees of Honda Motor Co., Ltd., Japan.

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

**Sd/-
Sunita Ganjoo
Company Secretary**

ROUTE MAP FOR REACHING AGM VENUE



Board's Report

Your Directors are pleased to present the 34th Annual Report together with Audited Financial Statements of the Company for the year ended March 31, 2019.

1. Financial Highlights

(₹ in lakhs)

Particulars	Year Ended	
	March 31, 2019	March 31, 2018
Revenue from Operations	81,588	77,741
Other Income	1,766	1,494
Profit before depreciation and exceptional items	10,794	11,685
Depreciation	2,113	2,251
Profit before exceptional items and tax	8,681	9,434
Profit before tax	8,331	9,434
Tax Expenses	2,916	3,293
Profit after Tax	5,415	6,141
Other Comprehensive Income	(49)	(31)
Total Comprehensive Income for the year	5366	6,110
Balance of profit brought forward	33,948	28,754
Dividend	913	761
Tax on Dividend	188	155
Balance carried to Balance Sheet	38,213	33,948

Financial Statements for the Financial Year ended 31st March 2019 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 ("the Act") and Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions thereof.

Results of Operations and the state of Company's affairs

Your company achieved aggregate revenue from operations of ₹ 81,588 lakh in 2018-19 (as against ₹ 77,741 lakh in 2017-18). This marks a growth of 5% over the previous year.

During the year, your Company witnessed growth across all key categories. It also marks the consolidation of gasoline products sales which now account for over two third of the volumes. The business environment appears to be encouraging to the future as well.

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 ₹10/- per equity share of ₹ 10/- each (100%) for the year ended 31st March 2019 (previous year 90%). The total outgo on this account (including dividend tax) will be ₹ 1,223 lakh.

3. Transfer of Amounts to Investor Education and Protection Fund

In compliance with Section 125 of the Act, reminders were sent to the members requesting them to claim unclaimed dividend for the year 2010-11. Some members claimed their unclaimed dividends. The payments were made directly to their bank accounts wherever the particulars were available, under intimation to those entitled. The balance remaining unclaimed of ₹ 6,29,498/- was

transferred to the Investor Education & Protection Fund (IEPF) within the stipulated time.

4. Transfer of Shares to the Investor Education and Protection Fund

In terms of provisions of Section 124(6) of the Act, and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shares of the Company, in respect of which dividend entitlements have remained unclaimed for seven consecutive years or more, were transferred by the Company to IEPF during the year 2018-19.

In terms of aforementioned provisions/rules, individual notices were sent to concerned shareholders providing them an opportunity to claim dividend for the Financial Year 2011-12 onwards. The said notice alongwith the details of concerned shareholders was published in the leading newspapers having wide circulation. Details were also updated on the website of the Company (www.hondasielpower.com) simultaneously.

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

5. Shareholders' Plant Visit

During the year under review, your Company organised a Shareholders' visit to its plant located at Greater Noida in order to provide an opportunity and familiarise the shareholders with the company's plant operations, its sales trend, functioning and future goals.

The visit ended with a quite satisfactory smile on the faces of our shareholders. It was an exciting trip for the shareholders, as the visit allowed them to learn more about the business they are investing in.

6. Environment Protection and Safety

Your Company is committed towards protection and safety of environment. The Company is dedicated to serve all the people with 'free, safe and comfortable life' to expand their joys, lead social developments and fulfill qualitative improvement of life. All associates and other business partners strive towards controlling emissions, effluents and waste disposal arising out of manufacturing processes, product and services. Your Company has been achieving continuous improvement in safety performance through a combination of systems and processes as well as co-operation and support of all stakeholders.

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.

7. Occupational Health & Safety

Your Company believes in 'Zero Harm'. The Company's vision is to improve health and safety standards for the people associated with the Company and working in any capacity. Efforts are taken to minimize activities which may affect the health and safety in work place or adversely impact the life of communities living near our plant. To promote this, we are encouraging the use of renewable resources as well as recycled waste. Further, steps are taken for optimum utilization of plant, with least emission in terms of noise and pollution in environment.

8. Extract of Annual Return

Pursuant to section 92(3) of the Act and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return is Annexed as **Annexure-C** and forms part of this report. The same is available on website of the company www.hondasielpower.com in "Investor" section.

9. Details of Board Meetings

During the year five Board meetings were held. 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 each meeting.

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.

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/approval. The minutes were duly entered in the Minutes Book within 30 days from the conclusion of the meeting.

During the year under review, Board Meetings were held as per the following details:

Date of the Meeting	Total No. of Directors on the Board	No. of Directors attended the meeting
May 24, 2018	8	6
August 13, 2018	8	8
October 29, 2018	8	6
December 20, 2018	8	7
February 06, 2019	8	7

During the year, two resolutions by Circulation were passed by the Board of Directors on August 20, 2018 and March 25, 2019 respectively.

All statutory and other important items/ information were placed before the Board for approval/review.

10. 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 as **Annexure-F**.

The Committees of the Board were reconstituted w.e.f. April 01, 2019 in view of the retirement of Dr. D.V. Kapur and Mr. Ravi Vira Gupta as the Independent Directors of the Company.

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

The Company has following policies in place to adhere to ethical standards in order to ensure integrity, transparency, independence and accountability in dealing with all stakeholders:

a.) Vigil Mechanism / Whistle Blower Policy

The Company has in place an established and effective mechanism called the Vigil Mechanism/Whistle Blower

Policy (Policy) in the name of Business Ethics Proposal Line (BEPL). The mechanism under the Policy has been appropriately communicated within the organisation. The purpose of this policy is to provide a framework to promote responsible whistle blowing by employees. It protects employees wishing to raise a concern about serious irregularities, unethical behavior, actual or suspected fraud within the Company.

The Chairman of the Audit Committee is the Ombudsperson and direct access has been provided to the employees to contact him through e-mail, post and telephone for reporting any matter.

The detailed policy is posted on the Company's website at www.hondasielpower.com.

b.) Risk Management Policy

The Company has in place the risk management process/policy. The key risk areas are monitored and assessed prudentially and effectively.

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 were well identified and managed, as a practice the Company during the Financial Year 2018-19 carried out a risk assessment covering all the functions across the organization. An extensive programme of Internal Audits, process review and Management Reviews further supports the same.

Further, in pursuance to Section 177(4)(vii) of the Act, Regulation 18(3) and Schedule II Part-C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), Audit Committee/Board reviews and evaluates the internal financial controls and risk management system of the Company.

Risk Management Policy of the Company may be accessed at Company's website at www.hondasielpower.com.

12. Directors' Responsibility Statement

Pursuant to the requirement of clause (c) of sub-section (3) of Section 134 of the Act, your Directors confirm that:

- in the preparation of the annual accounts for the year ended 31st March, 2019, the applicable accounting standards have been followed and there are no material departures;
- 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 31.03.2019;
- 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;
- the Directors have prepared the annual accounts on a going concern basis;
- 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;
- 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
- the Company has complied with the Secretarial Standard-1 (Meetings of Board of Directors), Secretarial Standard-II (General Meeting) issued and amended from time to time,

by the Institute of Company Secretaries of India.

13. Particulars of loans, guarantees or investments made under Section 186 of the Companies Act, 2013

Details of the loans given in compliance with the Section 186 of the Act and other applicable laws/regulations, during the financial year ended March 31, 2019 are given in the Note 5(d) of the notes to the financial statements forming part of Annual Report.

14. Auditors

i) Statutory Auditors

The Company in its 32nd Annual General Meeting held on August 04, 2017 approved the appointment of M/s Price Waterhouse Chartered Accountants LLP (FRN 012754N/N500016), as the Statutory Auditors of the Company for a term of 5 years i.e. from the conclusion of 32nd Annual General Meeting till the conclusion of 37th Annual General Meeting of the Company.

The Report of the Auditors on the Financial Statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

During the year under review, the Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

ii) Cost Auditors

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s Rakesh Singh & Co., Cost Accountants as Cost Auditors of the Company for the Financial Year 2019-20. M/s Rakesh Singh & Co., have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the past several years. A certificate from M/s Rakesh Singh & Co., has been received to the effect that their appointment as Cost Auditors of the Company, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder.

The remuneration to be paid to the cost Auditors as mentioned in the Notice convening 34th Annual General Meeting, shall be subject to the approval of the Members.

iii) Secretarial Auditors and Secretarial Audit Report

The Secretarial Audit was carried out by M/s TVA & Co. LLP, Company Secretaries for the Financial Year 2018-19.

The Report given by the Secretarial Auditors is annexed as **Annexure - D** and forms an integral part of this Board's Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report.

During the year under review, the Secretarial Auditors had not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed M/s. TVA & Co., LLP, Company Secretaries as the Secretarial Auditors of the Company for the Financial Year ending March 31, 2020. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

15. Related Party Transactions

In line with the requirements of the Act and LODR, all related party transactions are entered into, on arm's length basis, in the ordinary course of business.

Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

Pursuant to LODR 2015 and LODR Amendment Regulations, 2018 prior approval of the Audit Committee/Board has been obtained for all related party transactions. A report on the transactions, specifying the nature, value and terms and conditions of the same and transactions exceeding the approved limits were presented to the Audit Committee on a quarterly basis for its review/ratification. The transactions which crossed/were likely to cross materiality threshold, were placed before the Members for their ratification/approval.

The revised Related Party Transactions Policy, as approved by the Board, may be accessed at the Company's website at www.hondasielpower.com.

16. Details in respect of adequacy of Internal Control over Financial Reporting.

The Company has put in place the process of Internal Control over Financial Reporting (ICOFR) framework, commensurate with the size, scale and complexity of its operations. The framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying with applicable laws, safeguarding assets from unauthorized use and embezzlement, executing transactions with proper authorization and ensuring compliance with corporate policies. Further more, this process is reviewed during the year to be in sync with the changing business environment, regulatory developments and economic conditions.

The systems, standard operating procedures and controls implemented by the Company are reviewed by the Internal Auditors whose findings and recommendations are placed before the Audit Committee. The Management in consultation with the Internal Auditors develop an annual audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan. The Internal Auditors monitor and evaluate the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at specified locations of the Company. Based on the report of internal auditor, process owners undertake corrective action(s) in their respective area(s) and thereby strengthen the controls. Significant audit observations and corrective action(s) thereon are presented to the Audit Committee. The Audit Committee reviews the reports submitted by the Internal Auditors in each of its meeting alongwith the comments by the Management thereon.

The controls, based on the prevailing business conditions and processes have been tested during the year and no reportable material weakness in the design or effectiveness was observed. The framework on ICOFR over Financial Reporting has been reviewed by the Internal and Statutory Auditors.

17. Corporate Social Responsibility initiatives

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as **Annexure-E**.

The CSR Policy may be accessed on the Company's website at www.hondasielpower.com.

18. Criteria for appointment of Directors and remuneration to be paid to Directors, Key Managerial Personnel and other employees

Your Company has put in place policies on 'Criteria for Appointment of Directors' and 'Remuneration for Directors, Key Managerial Personnel ("KMP") and all other employees of the Company'.

The policies inter-alia stipulates the Directors to be of high integrity with relevant expertise and experience so as to have a diverse Board. The Policies further lay down the positive attributes/criteria which the Nomination and Remuneration Committee takes into consideration while recommending the candidature for the appointment as Director.

The Policy on 'Criteria for appointment of Directors' and 'Remuneration to be paid to Directors, KMP and other employees etc.' may be accessed on the Company's website at www.hondasielpower.com.

19. Criteria of Independence

The Nomination and Remuneration Committee assesses the independence of Directors at the time of appointment / re-appointment pursuant to the criteria laid down by the Company in line with the requirements of the Act and LODR. Determination of independence is being re-assessed when any new interests or relationships are disclosed by a Director.

20. Declaration by Independent Directors

The Board of your Company consists of Mr. Siddharth Shriram, Mr. Manoj Arora and Ms. Alka Marezban Bharucha as Independent Directors. These Directors have confirmed that they fulfill all the requirements as stipulated in Section 149(6) of the Act so as to qualify themselves to be appointed as Independent Directors under the provisions of the Act and the Rules made thereunder.

21. Directors and Key Managerial Personnel

i) Retirement by Rotation

In accordance with the provisions of the Act and applicable Regulations issued by the SEBI, Mr. Yoshifumi Iida (DIN 07136925), Managing Director and President & CEO of the Company will retire by rotation at the forthcoming Annual General Meeting ('AGM') and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Necessary resolution for the re-appointment of Mr. Iida and disclosure in terms of the Secretarial Standard 2 and LODR, are given in the Notice convening the Annual General Meeting.

As per the confirmations received from Mr. Iida, he is not disqualified for being appointed as Director as specified in Section 164(2)(a) and (b) of the Act.

ii) Cessation of Directors

Dr. D. V. Kapur and Mr. Ravi Vira Gupta, on completion of their tenure of appointment, ceased to be the Directors of the Company from the close of working hours on March 31, 2019. The Board places on record its appreciation towards valuable contribution made by Dr. D. V. Kapur and Mr. Ravi Vira Gupta during their tenure as Directors of the Company.

iii) Appointment/re-appointment of Independent Directors

The Board of Directors on recommendation of the Nomination and Remuneration Committee has recommended appointment/re-appointment of Independent Directors as per the following details for approval/ratification by the Members :-

- Re-appointment of Mr. Manoj Arora as an Independent Director of the Company for a second term of 5 (five) consecutive years w.e.f. March 01, 2019 on the expiry of his current term of office on February 28, 2019.
- Re-appointment of Ms. Alka Marezban Bharucha as an Independent Director of the Company for a second term of 5 (five) consecutive years on the expiry of her current term of office on September 14, 2019.
- Appointment of Mr. Siddharth Shriram as an Independent Director of the Company for a term of 5 (five) consecutive years with effect from April 01, 2019.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence prescribed under the Act and LODR.

iv) Revision in remuneration and re-appointment of Whole Time Directors

a. Revision in remuneration

1. Subsequent to the recommendation of the Nomination and Remuneration Committee, the Board of Directors on February 06, 2019 have approved the revision in remuneration to be paid to Mr. Hiroyoshi Sugimizu, Whole Time Director of the Company with effect from February 01, 2019 to March 31, 2019. The Board recommends this for your approval.
2. The Board of Directors in its Meeting held on May 28, 2019, on the recommendation of Nomination and Remuneration Committee approved revision in remuneration of Mr. Vinay Mittal from 01.04.2019 to 31.03.2020 (both days inclusive). Now the Board recommends this for your approval.

b. Re-appointment of Whole Time Director

The Board of Directors in its Meeting held on April 01, 2019 considered re-appointment of Mr. Hiroyoshi Sugimizu as the Whole Time Director of the Company, with effect from April 01, 2019, for a period of five years, subject to the approval of the Members at the Annual General Meeting of the Company, on the terms and conditions as set out in the Notice convening 34th Annual General Meeting.

As per the confirmations received from Mr. Sugimizu, he is not disqualified for being appointed as Director as specified in Section 164(2)(a) and (b) of the Act.

Your Board recommends re-appointment of Mr. Hiroyoshi Sugimizu as the Whole Time Director of the Company for a further period of 5 years with effect from April 01, 2019.

22. Board/Directors' Evaluation

Pursuant to the applicable provisions of the Act and the LODR, 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 Board's functioning was evaluated on various aspects, including inter-alia the structure of the Board, meetings of the Board, functions of the Board, degree of fulfilment of key responsibilities, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning. The Committees of the Board were assessed on the degree of fulfilment of key responsibilities,

adequacy of Committee composition and effectiveness of Meetings. The Directors were evaluated on aspects such as attendance, contribution at Board/Committee Meetings and guidance/support to the Management outside Board/Committee Meetings. The performance evaluation of Independent Directors was done by the entire Board of Directors excluding Independent Director being evaluated.

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

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 display commitment to good governance, ensuring a constant improvement of processes and procedures. It was further acknowledged that every individual Member of the Board and the Committee thereof contribute its best in the overall growth of the organization.

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

There were no qualifications, reservations or adverse remarks by the Auditors in their respective reports.

24. Deposits

The Company has not accepted any deposits from the public/members under Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

25. Buy Back of Securities

The Company has not bought back any of its securities during the year under review.

26. Sweat Equity

The Company has not issued any Sweat Equity Shares during the year under review.

27. Bonus Shares

No Bonus Shares were issued during the year under review.

28. Employees Stock Option Scheme

The Company has not provided any Stock Option Scheme during the year under review.

29. Significant and material orders passed by the regulators

During the year under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and Company's operations.

30. Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the same. The Act and LODR, 2015 have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under the new law and had proactively adopted many provisions of the new law, in time. A separate section on Corporate Governance is annexed to this report as **Annexure-F**

The Auditors' Certificate certifying the Company's compliance with the requirements of Corporate Governance in terms of LODR, is annexed as **Annexure-J** and forms part of the Boards' Report.

31. 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. In the Financial Year 2018-19 no case of sexual harassment was reported in the Company.

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

b. Code of Conduct on Insider Trading

The Company has instituted a comprehensive code of conduct in compliance with the SEBI 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.

33. Particulars of Employees

Particulars of employees and the ratio of the remuneration of each director to the median employee's remuneration and other details in terms of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as **Annexure-K** hereof. Particulars of employees under Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report. However, in terms of Section 136(1) of the Act, the Report and Accounts are being sent to the members and others entitled thereto, excluding this statement. The details are available for inspection by the Members at the Registered Office of the Company during working hours on working days for a period of 21 days before the ensuing Annual General Meeting. However, a copy of the Statement shall be made available to any member on demand.

34. Material changes and commitments affecting the financial position of the Company after 31st March 2019

There were no material changes and commitments affecting the financial position of the Company after 31st March 2019.

Acknowledgements

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

The Directors also wish to place on record their sincere appreciation and gratitude towards the contribution made by each and every associate of the Company.

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

**Sd/-
Siddharth Shriram
Chairman**

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

- The portable generator business, after a down turn during the earlier years is now looking up. Institutional business opportunities from Government and corporate customers are being increasingly progressed by your Company. The business during the year was helped by power outages consequent to weather disturbances in some parts of the Country. These factors helped grow sales over the previous year.

Opportunities

- Improvement in Power scenario has brought focus upon primary applications of Portable Gensets such as outdoor usage. Your company is actively seeking such prospects and promoting its superior and technologically advanced products.
- Focus on digitization of economy is dramatically changing Government's procurement process with shift towards "e-procurement" through Government's Online Portal "e-GEM" (Government's Electronic Market Place). Your Company has started to receive business through this portal.

Concerns

- All generator models of the Company operate exclusively on gasoline. While the Company is promoting fuel efficiency advantage of its products, rising gasoline prices are a cause of concern.
- Power deficit has shown a declining trend and the demand for our products in urban areas has reduced.

Outlook

- Growth of generator business is expected to be driven by application based sales, inclement weather conditions and the need for uninterrupted and portable power. Further, the rural market offers opportunities for growth.

GENERAL PURPOSE ENGINES AND WATER PUMPING SETS

- The Engine and Water Pump business registered growth over the previous year. Water pump sales, in particular, were encouraging due to increasing acceptance of gasoline fuelled products and support for Agriculture and Horticulture sectors from various State Governments. Our gasoline engines are also making inroads into the Construction segment. Such acceptance has boosted the Company's efforts to gradually shift its line-up from kerosene to gasoline.
- Your company has also been encouraged by the increasing acceptance of its fuel-efficient Gasoline engines and water pumps amongst rural customers.
- Engine sales to Original Equipment Manufacturers (OEM) was impacted due to uncertain subsidy policy and its disbursement for Agriculture centered products.
- In the Construction segment efforts are focused on promoting engines to power compact and light construction machines. This will lead to efficiency at the user end.
- In its endeavor to come closer to the end customer, your Company

conducted extensive demos in rural areas targeting the farming community. This has helped to build awareness about our products and show case their utility for farm operations.

Opportunities

- Infrastructure growth, farm mechanization, increasing rural incomes, Government support, scarcity of farm labour and environmental concerns are triggers for the increasing demand of our engines and water pumps.
- The gasoline engine fuelled based pumping sets and engines are expected to boost demand in areas where kerosene availability is scarce.

Concerns

- Unpredictable monsoon, uncertain subsidy policy and its allocation/ disbursal.

Outlook

- Agriculture and Infrastructure sectors are expected to continue receiving support from the Government.

Considering the competitive cost structure in India, the OEM market for agricultural and construction segments is also developing. Your Company is looking at increasing its presence in these segments by working closely with good quality manufacturers.

BRUSH CUTTERS

- Honda Brush cutters have made a name for themselves by providing affordable and efficient mechanized solution for farm activities like de-weeding and harvesting. Honda products are endowed with environment friendly, cutting edge "4 Stroke" technology and fuel efficient features.
- The company is planning to launch additional models suitable for heavy duty usage and also plug model gaps vs. the competition.

TILLERS

- Honda Tillers are registering promising growth and acceptability across the Country.
- The Honda tillers are creating a place for themselves amongst small farmers growing vegetables and cash crops. Tiller business is expected to accelerate due to availability of various Government schemes that promote mechanization amongst small farmers.
- Your company has been providing Tiller attachments for multiple applications, helping boost farm productivity. The Company is seeking avenues to provide competitively priced attachments to complement farmer requirement.

EXPORT BUSINESS

- Generator business continues to be the highest amongst all product categories. Business from North American and European markets is encouraging.
- Diversification efforts with Engines and Tillers have been successful in markets such as Indonesia, Taiwan and Korea. We expect to increase this business further in the future.

Concerns

- Price competitiveness in emerging markets is an area of concern.

Outlook

- Your Company is making efforts to expand the export mix with gasoline fuelled Water Pumps.

RISKS AND AREAS OF CONCERN

The Company's Risk Management framework encompasses practices relating to the identification, analysis, evaluation, treatment, mitigation and monitoring of the strategic, external and operational controls risks to achieve our key business objectives.

The Company has a robust risk mitigation plan to minimize identified risks through continuous monitoring and mitigating actions.

The Risk Management Committee of the Board assists the Board in its oversight of various risks. The Risk Management Committee reviews compliance with risk policies, monitors risk tolerance limits, reviews and analyzes risk exposures related to specific issues and provides oversight of risk across the organization. The Company has a Board approved Operational Risk Management framework.

INTERNAL CONTROLS AND SYSTEMS

Your Company has a proper and adequate system of internal controls. An extensive programme of internal audits and Management reviews supplements the process of internal controls. The Company maintains appropriate policies, procedures and systems to ensure orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records. The Internal Control System has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets.

An independent internal audit function is an important element of your Company's internal control system. The internal control system is supplemented through an extensive internal audit programme and periodic review by Management and Audit Committee. All these measures facilitate timely detection of any irregularities and early remedial steps.

FINANCIAL PERFORMANCE

During the year 2018-19 sale of products was ₹ 80,146 lakh as against ₹ 76,390 lakh in the previous year. This represents an increase of 5% in terms of value over previous year.

Profit before Tax and Exceptional Items for the year was ₹ 8,681 lakh as against ₹ 9,434 Lakh in 2017-18.

There are no Key financial ratios of the Company which has significant change (i.e. more than 25% change) compared to last year.

Details of change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof are as under:

Change in Return on Networth	FY 2018-19	FY 2017-18
	11%	14%

Due to stiff competition in the market in respect of major products of the Company, increase in the cost of production could not be passed on to the customers. This has effected the profit of the Company.

HUMAN RESOURCES

Dynamism and Customer Orientation are the key to current business landscape. Your Company overwhelmingly embracing the dynamic ways and technologies for persuasion of innovative urge of associates and leverage the entrepreneurial potential to create a future fit human capital and resonate the brand value. The Company is committed to take on the challenges and making it an agile and a self - reliant organization and best place to work.

Curating the work experience is a prime factor for workforce engagement, an important organizational growth driver. The positive trend in the engagement levels in 2018 dipstick survey is the impression of your Company's commitment towards cultivating associate friendly working environment.

Agile human capital availability is critical for any business. Your Company is geared up for future growth of the organization and has well laid down processes and path for creating performance oriented culture and career enhancement opportunities. Your Company has focussed on bringing more transparency and objectivity in Performance Management by emphasizing on two way communication and continuous feedback system. Your Company has ceaselessly focussed on career development plans and worked upon succession planning to ease any prospective void of talent. Critical roles identification with enduring vision of succession is instigated at middle management level and is being driven meticulously to spark the latent aptitude to take up higher roles in the hierarchy. Scientific assessment centres are used to explicitly identify and plan the leadership and functional competence.

Your Company ceaselessly drives the skill enhancement initiatives for comprehensive development of associates. Your Company always endeavours to embrace diversified talent to bring in creativity across the orgainsation. In the coming years your Company will be stringently working towards enhancement of diversified environment.

Your Company always believes in deeply rooted business ethics. Strong Corporate Governance and Honda way of working guides us at every step to create a culture in which associates are naturally disposed to act ethically.

The Company as on March 31, 2019 had 769 associates

INFORMATION TECHNOLOGY

Your company is comprehensively embracing Information Technology to leverage its potential and sail through the changes. Business continuity is the utmost priority. Your Company has strengthened the network and data security through advance security operations centre, wherein the installation of Advance Antivirus Patches and Operating System Patches has been automated in the first phase and further multiple level security controls are planned.

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, labour 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: 1. Installation of Time Switches in Air Washers for auto ON/OFF during the break time in Aluminium & Assembly. Energy saving per year by this activity is 15,402 KWH (7.8%). 2. Installation of energy efficient 5.5 HP blower in place of 7.5 HP blower at ETP. Energy saving per year by this activity is 4,413 KWH (26.7%). 3. Replacement of mercury vapor lamps and conventional street lights with LED high bay lights and LED street lights at areas like Assembly, Paint, Weld, Press, Tool Room, Aluminum, PCPC, PDC & Die Maintenance Alternator, CBU area etc. Energy saving per year by this activity is 1,64,169 KWH (53.4%).
(ii)	The steps taken by the Company for utilizing alternate sources of energy	Construction of roof top sludge drying bed covered by transparent sheet for effective drying of sludge (paint & waste water treatment sludge) naturally by heat from the sun.
(iii)	The capital investment on energy conservation equipments	Following capital investments were made for energy conservation equipments: 1. ₹ 0.82 lakh- As detailed in (i) above 2. ₹ 25.03 lakh- As detailed in (i) above 3. ₹ 2.94 lakh- As detailed in (ii) above

(b) Technology Absorption

(i)	The effort made towards technology absorption	<ul style="list-style-type: none"> - The company has availed the service of technical specialists from the foreign collaboration who impart on the job training and guidance to the Company's engineers and technicians. - 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: <ul style="list-style-type: none"> - Adoption of new emission and evaporation regulation for Europe and USA market. - Continuously focusing on cost reduction of parts of engines - Continuously meeting the regulation of advance countries by updating the existing Generator Model such as: <ul style="list-style-type: none"> • Meeting Canadian Evaporation Regulation. • Meeting WEEE Directives of European Countries.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	The benefits derived related to: <ul style="list-style-type: none"> - Meeting customer as well as regulatory requirement in all product ranges like Engine and Generator - Producing environment friendly product by managing hazardous substance. - Cost reduction through indigenization. - Enhancement of the sales feature of the products.
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year)	Following information is furnished in case of important technology (imported during the last three years reckoned from the beginning of the Financial Year):
	(a) The details of technology imported	Manufacturing of Portable Inverter Generators, OHV General Purpose Engines, Water Pumping Sets and agriculture products such as Tillers, Backpack Sprayers etc.
	(b) The year of Import	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, 2022.
	(c) Whether the technology been fully absorbed	This is in the process of being absorbed gradually.
	(d) If not fully absorbed, area where absorption has not taken place and the reasons thereof	Technology is further to be absorbed for localization of high technology engine components and in producing the country specific products / models like: <ul 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 Market - Transfer technology of middle size engine from Honda Thailand. - Updating existing models to Ethanol (E10) compliance.
(iv)	The expenditure incurred on Research and Development	NIL

(c) Foreign Exchange Earnings and Outgo

During the year, the total foreign exchange used was ₹ 25,862 lakh and the total foreign exchange earned was ₹ 32,260 lakh.

EXTRACT OF ANNUAL RETURN

 as on the financial year ended 31st March, 2019

[Pursuant to Section 92(1) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- | | | |
|------|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------|
| i) | CIN | : L40103DL2004PLC203950 |
| ii) | Registration Date | : 19/09/1985 |
| iii) | Name of the Company | : Honda Siel Power Products Limited |
| iv) | Category / Sub-Category of the Company | : Public Listed Company |
| v) | Address of the Registered Office and contact details | : 409, Tower B, DLF Commercial Complex, Jasola, New Delhi –110025,
Tel. +91 011 41082210, 0120 2590211 |
| vi) | Whether listed company | : Yes |
| vii) | Name, Address and contact details of Registrar and Transfer Agents (RTA), if any: | M/s Mas Services Limited, T-34, 2 nd Floor, Okhla Industrial Area, Phase-II, New Delhi 110020, Tel. 011-26387281-83 |

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

S. No.	Name and description of main products	NIC Code of the Products	% to total turnover of the Company
1.	Generators	8502 20	65
2.	Engines	8413 10	9
3.	Water Pumps	8413 10	14
4.	Tillers/Back Pack Sprayer	8432 90/ 8424 00	1

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Honda Motor Co. Ltd.	N. A.	Holding	66.67	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of total equity)
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	0	0	0	0	0	0	0	0	0.00
(b) Central Govt	0	0	0	0	0	0	0	0	0.00
(c) State Govt (s)	0	0	0	0	0	0	0	0	0.00
(d) Bodies Corporates	1,01,433	0	1,01,433	1.00	1,01,433	0	1,01,433	1.00	0.00
(e) Banks / FI	0	0	0	0	0	0	0	0	0.00
(f) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (1)	1,01,433	0	1,01,433	1.00	1,01,433	0	1,01,433	1.00	0.00
(2) Foreign									
(a) NRIs -Individuals	0	0	0	0	0	0	0	0	0.00
(b) Other –Individuals	0	0	0	0	0	0	0	0	0.00
(c) Bodies Corporates	67,62,000	0	67,62,000	66.67	67,62,000	0	67,62,000	66.67	0.00
(d) Banks / FI	0	0	0	0	0	0	0	0	0.00
(e) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (2)	67,62,000	0	67,62,000	66.67	67,62,000	0	67,62,000	66.67	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	68,63,433	0	68,63,433	67.67	68,63,433	0	68,63,433	67.67	0.00

B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	6,15,070	20	6,15,090	6.06	6,41,135	20	6,41,155	6.32	0.26
(b) Alternate Investment Funds	76,068	0	76,068	0.75	1,50,000	0	1,50,000	1.48	0.73
(c) Foreign Portfolio Investors	41,278	0	41,278	0.41	34,450	0	34,450	0.34	(0.07)
(d) Banks / FI	6,938	200	7,138	0.07	6,803	200	7,003	0.07	0
(e) Central Government	0	0	0	0	0	0	0	0	0
(f) State Government(s)	0	0	0	0	0	0	0	0	0
(g) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(h) Insurance Companies	0	0	0	0	0	0	0	0	0
(i) FIs	0	0	0	0	0	0	0	0	0
(j) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(k) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	7,39,354	220	7,39,574	7.29	8,32,388	220	8,32,608	8.21	0.92
2. Non-Institutions									
(a) Bodies Corporate									
(i) Indian	2,92,874	322	2,93,196	2.89	1,23,251	322	1,23,573	1.22	(1.67)
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	18,06,445	1,50,331	19,56,776	19.29	17,00,320	1,26,099	18,26,419	18.00	(1.29)
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	81,000	0	81,000	0.80	2,84,104	0	2,84,104	2.80	2.00
(iii) NBFC registered with RBI	7,222	0	7,222	0.07	4,620	0	4,620	0.05	(0.02)
(c) Others - Clearing Members	28,664	0	28,664	0.28	20,581	0	20,581	0.20	(0.08)
NRI	1,11,083	21,737	1,32,820	1.31	1,22,778	19,634	1,42,412	1.40	0.09
Trust	4,462	0	4,462	0.04	5,080	0	5,080	0.05	0.01
IEPF	35,924	0	35,924	0.35	40,241	0	40,241	0.40	0.05
Sub-total (B)(2)	23,67,674	1,72,390	25,40,064	25.04	23,00,975	1,46,055	24,47,030	24.13	(0.90)
Total Public Shareholding (B)=(B)(1)+(B)(2)	31,07,028	1,72,610	32,79,638	32.33	31,33,363	1,46,275	32,79,638	32.33	0.00
C. Shares held by Custodian for GDRs & ADRs	NOT APPLICABLE								
Grand Total (A+B+C)	99,70,461	1,72,610	1,01,43,071	100	99,96,796	1,46,275	1,01,43,071	100	0

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares pledged/ encumbered to total shares	
1.	Honda Motor Co., Ltd., Japan	67,62,000	66.67	NIL	67,62,000	66.67	NIL	NIL
2.	Usha International Limited	1,01,433	1.00	NIL	1,01,433	1.00	NIL	NIL

(iii) Change in Promoters' Shareholding

There were no changes in promoter shareholding during the Financial Year 2018-19.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters)

S. No.	Name of Shareholder	Shareholding at the beginning of the year		Change in shareholding (No. of Shares)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1	Reliance Capital Trustee Co. Ltd.	5,93,070	5.85	35,539	-	6,28,609	6.20
2	IIFL RE Organize India Equity Fund	76,068	0.75	73,932	-	1,50,000	1.48
3	Jayantilal Premji Shah	30,000	0.30	-	-	30,000	0.30
4	Laxmichand Kunverji Kenia	30,000	0.30	-	-	30,000	0.30
5	Amit Jasani	21,000	0.21	-	-	21,000	0.21
6	Pulkit. N. Sekhsaria	20,000	0.20	-	-	20,000	0.20
7	F L Dadabhoy	19,200	0.19	-	-	19,200	0.19
8	Panna Bankim	19,000	0.19	-	-	19,000	0.19
9	Parag P Parekh HUF	15,000	0.15	2,500	-	17,500	0.17
10	The Emerging Markets	16,298	0.16	478	-	16,776	0.17
	TOTAL	8,39,636	8.30	1,12,449	-	9,52,085	9.41

Change in shareholding of top ten shareholders since April 01, 2018 onwards

11	Param Capital Research Pvt. Ltd.	1,26,869	1.25	-	1,26,869	0	0
12	IDBI Focused 30 Equity Fund	22,000	0.22	-	9,474	12,526	0.12

(v). Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Director/ KMP	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Mr. Siddharth Shiram	At the beginning of the year	50	Negligible	50	Negligible
		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	0	0	0	0
		At the end of the year	50	Negligible	50	Negligible
2.	Ms. Sunita Ganjoo	At the beginning of the year	1	Negligible	1	Negligible
		Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/ sweat equity etc.)	0	0	0	0
		At the end of the year	1	Negligible	1	Negligible

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

The Company had no indebtedness with respect to secured or unsecured loans of deposits during the Financial Year 2018-19.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole Time Directors

S. No.	Particulars of Remuneration	Name of MD/WTD			Total Amount (₹)
		Yoshifumi Iida	Hiro Yoshi Sugimizu	Vinay Mittal	
1.	Gross salary (₹)				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	1,99,79,785	1,95,88,142	1,18,04,349	5,13,72,276
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	35,10,596	10,12,398	4,91,191	50,14,185
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others	NIL	NIL	NIL	NIL
5.	Others (Exempted Benefits) (₹)	5,92,892	5,12,776	3,60,417	14,66,085
	Total (A)	2,40,83,273	2,11,13,316	1,26,55,957	5,78,52,546
	Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration payable to Managing Director, President & CEO and whole Time Directors shall not exceed 10% of the net profit of the Company. The remuneration paid is well within the said limit.			

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors (1)				Total Amount (₹)	Particulars of remuneration paid to other Non-Executive Directors (2)
Independent Directors	D.V. Kapur	Ravi Vira Gupta	Manoj Arora	Alka Masezban Bharucha		Siddharth Shriram
Fee for attending Board Meeting	3,00,000	3,00,000	3,00,000	1,20,000	10,20,000	3,00,000
Audit Committee	2,40,000	2,40,000	2,40,000	1,20,000	8,40,000	-
Stakeholders Relationship Committee	2,00,000	-	-	-	2,00,000	2,00,000
Nomination and Remuneration Committee	1,00,000	-	1,00,000	-	2,00,000	1,00,000
Board Committee on Financial Matters	-	-	-	-	-	50,000
CSR Committee	-	-	50,000	-	50,000	50,000
Independent Director's Meeting	50,000	50,000	50,000	50,000	2,00,000	-
Commission	NIL	NIL	NIL	NIL	NIL	NIL
Total (1)	8,90,000	5,90,000	7,40,000	2,90,000	25,10,000	-
Total (2)						7,00,000
Total (B)=(1+2)						32,10,000
Total Managerial Remuneration	A + B					6,10,62,546*
Overall Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration payable to Directors other than Executive Directors Shall not exceed 1% of the net profit of the Company. The remuneration paid is well within the said limit.					

*Total remuneration to Managing Director and President & CEO, Whole Time Directors and Directors (being the total of **A** and **B**)

C. Remuneration to Key Managerial Personnel other than Managing Director and President & CEO and Whole Time Directors

S. No.	Particulars of Remuneration	Key Managerial Person Sunita Ganjoo
1	Gross salary (₹) (a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	12,82,127 - -
2	Stock Option	NIL
3	Sweat Equity	NIL
4	Commission - as % of profit - others	NIL
5	Others : Exempted Benefits (₹)	1,62,301
	Total (₹)	14,44,428

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences for breach of any Section of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year 2018-19.

To,
The Members
Honda Siel Power Products Limited
CIN: L40103DL2004PLC203950
409, DLF Tower B
Jasola Commercial Complex
New Delhi-110025

We have examined the relevant registers, records and documents maintained and made available to us by Honda Siel Power Products Limited ("the Company") for the period commencing from 1st April, 2018 to 31st March, 2019 for the issuance of Secretarial Audit Report for the financial year 2018-19, required to be issued under Section 204 of the Companies Act, 2013 read with 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.

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.

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. Our examination was limited to the verification of procedures on test basis.

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

Delhi, May 28, 2019

Sd/-
Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019**

[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 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 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, 2019 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, 2019 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) Regulations, 2014;
 - (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 and dealing with the client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018;
- (vi) Other laws as specifically applicable 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) The Electricity Act, 2003 and Rules made thereunder; and
 - (e) Fire Prevention and Fire Safety Act and Indian Standard Code of practice for selection, installation and maintenance of portable first aid fire extinguishers.

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).

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. No change in the composition of the Board of Directors took place during the period under review. However, the re-appointment of Independent Director made during the period under review is 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 minutes 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 and guidelines framed thereunder.

We further report that during the audit period, there were no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

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

Delhi, May 28, 2019

**Sd/-
Tanuj Vohra
Partner
M. No.: F5621, C.P. No.: 5253**

Annual Report on CSR Activities of the Company

1.	A brief outline of the Company’s CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and project or programmes	<p>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:</p> <p>1. Vision: To be an active contributor in raising the Country’s human development index and fulfill the role of a Socially Responsible Corporate, with environment concerns.</p> <p>2. Objective:</p> <p>2.1. To align and integrate the Honda –CSR activities with the Honda philosophy and make them outcome oriented.</p> <p>2.2. To sustain and continuously improve the quality of life and economic well being of the local populace.</p> <p>2.3. To create a brand image of Honda which society will want to exist.</p> <p>2.4. CSR activities proposed to be undertaken by the Company shall be in pursuance to Section 135 read with Schedule VII of the Companies Act, 2013.</p> <p>The policy is also posted on the Company’s website at https://www.hondasielpower.com.</p>																
2.	The Composition of the CSR Committee	<table border="1" data-bbox="643 743 1481 1016"> <thead> <tr> <th data-bbox="643 743 975 785">Name</th> <th colspan="2" data-bbox="975 743 1481 785">Category/Director</th> </tr> </thead> <tbody> <tr> <td data-bbox="643 785 975 821">Mr. Siddharth Shriram</td> <td data-bbox="975 785 1166 821">Independent</td> <td data-bbox="1166 785 1481 821">Chairman</td> </tr> <tr> <td data-bbox="643 821 975 856">Mr. Manoj Arora</td> <td data-bbox="975 821 1166 856">Independent</td> <td data-bbox="1166 821 1481 856">Member</td> </tr> <tr> <td data-bbox="643 856 975 892">Mr. Yoshifumi Iida</td> <td data-bbox="975 856 1166 892">Executive</td> <td data-bbox="1166 856 1481 892">Member</td> </tr> <tr> <td data-bbox="643 892 975 928">Mr. Vinay Mittal</td> <td data-bbox="975 892 1166 928">Executive</td> <td data-bbox="1166 892 1481 928">Member</td> </tr> </tbody> </table> <p>Corporate Social Responsibility Committee has been reconstituted w.e.f. April 01, 2019 as detailed in the Board Report.</p>		Name	Category/Director		Mr. Siddharth Shriram	Independent	Chairman	Mr. Manoj Arora	Independent	Member	Mr. Yoshifumi Iida	Executive	Member	Mr. Vinay Mittal	Executive	Member
Name	Category/Director																	
Mr. Siddharth Shriram	Independent	Chairman																
Mr. Manoj Arora	Independent	Member																
Mr. Yoshifumi Iida	Executive	Member																
Mr. Vinay Mittal	Executive	Member																
3.	Average net profit of the Company for last three years (Amount in ₹ Lakh)	₹ 9,233.09 Lakh																
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) (amount in ₹ Lakh)	₹ 184.66 Lakh																
5.	<p>Details of CSR spent during the year</p> <p>1) Amount to be spent for the year</p> <p>2) Amount Unspent, if any</p> <p>3) Manner in which the amount spent during the financial year</p>	<p>₹ 184.66 Lakh</p> <p>a. ₹ 50 Lakh contributed towards Prime Minister’s National Relief Fund for providing financial assistance to the flood area in State of Kerala.</p> <p>b. ₹134.66 Lakh contributed towards Prime Minister’s National Relief Fund.</p>																

This is to state that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Sd/-
Yoshifumi Iida
President, CEO & MD

Sd/-
Siddharth Shriram
Chairman CSR Committee

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

Corporate Governance ensures fairness, transparency and integrity of the Management. The Company believes that it is imperative to manage the business and its affairs in the most transparent manner with a firm commitment to our values. Sound Corporate Governance is critical for enhancing and retaining investor trust and thus seeks to ensure that its performance goals are met with integrity. The Company maintains highest levels of transparency, accountability and good Management practices through the adoption and monitoring of corporate strategies, goals and procedures to comply with its legal, social and ethical responsibilities. The Company is always working towards building trust with shareholders, employees, customers, suppliers and all other stakeholders based on the principles of good Corporate Governance.

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

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

The Directors fully endorse and support the essentials of Corporate Governance and accordingly herein below give a true and fair report on Corporate Governance.

2. Board of Directors

The Board of Directors is at the core of Corporate Governance practices. The Board is entrusted with the ultimate responsibility of management, general affairs, direction and performance of the Company and has been vested with the requisite powers, authorities and duties. Your Company firmly believes that Board Independence is essential to bring objectivity and transparency in the management and in the dealing of the Company.

The Company has established systems and procedures to ensure that its Board is well informed and well equipped to fulfill its overall responsibilities and to provide Management with the strategic direction needed to create long term shareholders value.

The Board of your Company is broad-based and diversified, presently consisting of six members. The Board has an ideal composition. It consists of three Executive Directors and three Non-Executive Directors, including a woman director. Three Non-Executive Directors are Independent i.e. they do not have any material pecuniary relationship or transactions with the Company, its Promoters, its Management or related persons except receiving sitting fees for attending the meetings of the Board, which in the opinion of the Board will not affect the independence of judgement of the said Directors. The Board Members possess the skills, experience and expertise necessary to guide the affairs of the Company.

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

Particulars of the Directors who are being appointed / re-appointed at the ensuing Annual General Meeting ('AGM') in terms of the Secretarial Standard 2 issued by the Institute of company Secretaries of India (Secretarial Standard), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations) are provided in the notice convening the AGM.

Board Meetings

There is a well-organised system for seeking Board approval, 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 ("the Act"), Secretarial Standards and the Regulations. Where expedient, the Board also approves resolutions by way of circulation between two successive Board meetings.

During the year under review, five Board Meetings were held on May 24, 2018; August 13, 2018; October 29, 2018; December 20, 2018 and February 06, 2019. During the year, two resolutions by circulation were passed by the Board of Directors on August 20, 2018 and March 25, 2019 respectively. All statutory and other important items/ information were placed before the Board for approval/review.

The composition of the Board of Directors, attendance of the Directors at the Board Meetings and Annual General Meeting, number of Directorships in Indian Public Limited Companies, Name of the listed companies where director is holding directorship, Category of directorship in other listed companies and Membership of Committee(s) (Audit and Stakeholders Relationship Committee) of the Board of such Companies are as follows:

S. No.	Name of the 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 Committees Membership including (Chairmanship)	Number of shares held
1	Siddharth Shriram	ID/NED*	Yes	5	1	Nil	Nil	NA	2(1)	50
2	D. V. Kapur**	ID/NED	Yes	5	1	1	DLF Ltd.	1. ID	4(3)	Nil
3	Ravi Vira Gupta**	ID/NED	Yes	5	3	3	1. Seshasayee Paper & Boards Limited 2. DCM Limited 3. The Delhi Safe Deposits Company Limited	1. ID/NED 2. ID/NED 3. ID	3(1)	Nil
4	Manoj Arora	ID/NED	Yes	5	1	Nil	NA	NA	2	Nil
5	Alka Marezban Bharucha	ID/NED	Yes	2	8	4	1. Ultratech Cement Ltd. 2. Birlasoft Ltd. 3. Hindalco Industries Ltd. 4. Orient Electric Ltd	1. ID 2. ID 3. ID 4.ID	8(3)	Nil
6	Yoshifumi Iida	Non-ID/ED	Yes	4	Nil	Nil	NA	NA	2	Nil
7	Hiroyoshi Sugimizu	Non-ID/ED	Yes	3	Nil	Nil	NA	NA	Nil	Nil
8	Vinay Mittal	Non-ID/ED	Yes	5	Nil	Nil	NA	NA	1	Nil

* Appointed as Independent Director w.e.f. 1st April, 2019

**Ceased to be directors from 1st April, 2019.

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 the Regulations, Membership (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 Chairman of more than five such Committees.
- There has been no inter-se relationship between or among directors of the Company.

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

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 and Audit Committee Meetings 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.

A certificate from a Company Secretary in Practice as annexed in **Annexure - G** 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 directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Board Skills Matrix

The Board of Honda Siel Power Products Limited is ultimately responsible for the oversight and review of the management and overall governance of the Company. Accordingly, the Board has created the following matrix which captures the key skills and diversity attributes of the Board members which it believes are critical to succeeding in its objectives. The Company's Board presently possesses the below attributes:

General	Governance	Technical	Industry Experience	Diversity
<ul style="list-style-type: none"> Board efficiency and effectiveness General management Global/emerging markets management experience 	<ul style="list-style-type: none"> Understanding of legal, ethical and fiduciary duties Risk management 	<ul style="list-style-type: none"> Health and Safety Supply Chain Marketing, sales and customer service – in relation to power products industry Financial Manufacturing / engineering acumen 	<ul style="list-style-type: none"> Manufacturing Logistics / distribution/supply Chain International Trade 	<ul style="list-style-type: none"> Gender diversity Optimal mix of skills, expertise and experience

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

During the year, none of the Independent Director has resigned before the expiry of his/her tenure as Independent Director of the Company.

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

Familiarization Programme for Independent Directors

The Directors of the Company are updated periodically on the Company's operations and other information including those pertaining to statutes / legislations and economic environment and on matters affecting the Company, to enable them to take well-informed and timely decisions.

Further, the familiarization programme for Independent Directors in terms of Regulation 25(7) of the Regulations is uploaded on the website of the Company and can be accessed at www.hondasielpower.com.

Meeting of Independent Directors

During the year, the Independent Directors (IDs) met once on February 06, 2019, 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, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Committees of the Board

Details of the Committees constituted by the Board are as follows:

1. Audit Committee;
2. Stakeholders Relationship Committee;
3. Nomination and Remuneration Committee;
4. Corporate Social Responsibility Committee;
5. Board Committee on Financial Matters;
6. 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 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 the highest levels 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 Regulations and provisions of the Act. The terms of reference to the Audit Committee as approved by the Board are available on our website at www.hondasielpower.com.

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

During the Financial Year 2018-19, Audit Committee met four times on May 24, 2018; August 13, 2018; October 29, 2018 and February 06, 2019. A resolution by circulation was passed on March 28, 2019 by the Committee. 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	Status	Number of Meetings Attended
Dr. D. V. Kapur	Chairman	4
Mr. Ravi Vira Gupta	Member	4
Mr. Yoshifumi Iida	Member	3
Mr. Manoj Arora	Member	4
Ms. Alka Marezban Bharucha	Member	2

Pursuant to retirement of Dr. D. V. Kapur and Mr. Ravi Vira Gupta, the Committee has been re-constituted effective April 01, 2019.

ii. **Nomination and Remuneration Committee**

In terms of Section 178 of the Act and the Regulations, the Company has constituted the Nomination and Remuneration Committee. The Committee mainly discharges the duties related to recommendation regarding nomination of Directors to the Board, formulating criteria for determining qualifications, attributes and independence of Directors, formulation of criteria for performance of Directors and further submission of report thereon to the Board.

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.

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 the Regulations and are available on our website at www.hondasielpower.com. The Chairman of the Committee is an Independent Director.

The Company Secretary acts as the Secretary to the Committee.

During the year under review, the Committee met on May 24, 2018 and February 06, 2019.

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

Name of the Member	Status	No. of Meetings attended
Dr. D.V. Kapur	Chairman	2
Mr. Siddharth Shriram	Member	2
Mr. Manoj Arora	Member	2

Pursuant to retirement of Dr. D. V. Kapur, the Committee has been re-constituted effective April 01, 2019.

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 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, 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 & 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 2018-19

A. Executive Directors

The details of the remuneration paid to the Whole Time Director(s) during the year 2018-19 are as under:

Name	Salary	Benefits	Bonus	Stock Options	Fixed Components	Variable Pay	Service Contract
	Amount in ₹			Amount in ₹			
Yoshifumi Iida	9,00,000	1,41,83,273	0	0	90,00,000	-	01.04.2015 to 31.03.2020
Hiro Yoshi Sugimizu	9,00,000	1,26,73,316	0	0	75,40,000	-	01.04.2014 to 31.03.2019*
Vinay Mittal	43,48,176	12,21,274	0	0	63,39,763	7,46,744	01.04.2017 to 31.03.2022

*Re-appointed as Whole Time Director of the Company, by the Board of Directors for a further period of five years i.e. w.e.f. 01.04.2019 to 31.03.2024, subject to approval by Shareholders at the forthcoming Annual General Meeting of the Company.

B. Non-Executive Directors

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

Details of sitting fees paid during the year 2018-19 for attending the Meetings of Board of Directors and of its Committees were as under:

(Amount in ₹)

Name of the Director	Board	Audit Committee	Stakeholders Relationship Committee	Nomination and Remuneration Committee	CSR Committee	Board Committee on Financial Matters	Independent Directors	Total
Mr. Siddharth Shriram	3,00,000	-	2,00,000	1,00,000	50,000	50,000	-	7,00,000
Dr. D. V. Kapur	3,00,000	2,40,000	2,00,000	1,00,000	-	-	50,000	8,90,000
Mr. Ravi Vira Gupta	3,00,000	2,40,000	-	-	-	-	50,000	5,90,000
Mr. Manoj Arora	3,00,000	2,40,000	-	1,00,000	50,000	-	50,000	7,40,000
Ms. Alka Marezban Bharucha	1,20,000	1,20,000	-	-	-	-	50,000	2,90,000

There are no pecuniary relationships or transactions of the non-executive Directors vis-à-vis the Company.

iii. Stakeholders Relationship Committee

The remit of the Committee as prescribed under Regulation 20 of the Regulations & SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018 (Amendment Regulations) 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 the Regulation 20 of the Regulations and provisions of the Act.

During the Financial Year 2018-19, the Committee met four times on May 24, 2018; August 13, 2018; October 29, 2018 and February 06, 2019. Composition of the Committee and attendance of the members at the meetings were as follows:

Name of the Member	Status	No. of Meetings attended
Dr. D. V. Kapur	Chairman	4
Mr. Siddharth Shriram	Member	4
Mr. Yoshifumi Iida	Member	3
Mr. Vinay Mittal	Member	4

Pursuant to retirement of Dr. D. V. Kapur, the Committee has been re-constituted effective April 01, 2019.

The Company Secretary acts as the Secretary to the Committee.

- Resolutions by Circulation were passed on: April 13, 2018; May 07, 2018; September 04, 2018; October 12, 2018; December 12, 2018; January 23, 2019; January 25, 2019; February 04, 2019; February 11, 2019; March 11, 2019 and March 18, 2019.

Compliance Officer

Ms. Sunita Ganjoo, Company Secretary is the Compliance Officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Investor Grievance Redressal

As on March 31, 2019, your Company had 16,494 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 off 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	16	15	0	1

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 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 of the Company.

During the year under review, Corporate Social Responsibility Committee met once on February 06, 2019. The resolutions by circulation were passed on August 20, 2018 and March 28, 2019 by the Committee.

Composition of the Committee and attendance of the members at the meeting is as under:

Name of the Member	Status	No. of Meetings Attended
Mr. Siddharth Shriram	Chairman	1
Mr. Yoshifumi Iida	Member	1
Mr. Vinay Mittal	Member	1
Mr. Manoj Arora	Member	1

The Committee has been re-constituted effective April 01, 2019.

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 once during the year on July 02, 2018. Attendance of the Members at the meeting was as follows:

Name of the Member	Status	No. of Meetings attended
Mr. Yoshifumi Iida	Chairman	1
Mr. Siddharth Shriram	Member	1
Mr. Vinay Mittal	Member	1
Mr. Hiroyoshi Sugimizu	Member	1

The Committee has been re-constituted effective April 01, 2019.

The Company Secretary acts as the Secretary to the Committee.

vi. Risk Management Committee

The Company has voluntarily constituted Risk Management Committee including a non-board member for ensuring better Corporate Governance practices. The roles and responsibilities of the Committee are prescribed under Regulation 21 of the Regulations and Amendment Regulations, 2018 which include monitoring and reviewing of risk management plan covering cyber security and reporting the same to the Board of Directors periodically as it may deem fit. The Risk Management plan is being monitored by the Committee of the Company. The Board of Directors review the Risk Management Plan annually.

During the Financial year, the Committee met once on March 29, 2019. Constitution of the Committee and attendance of the members at the meeting was as follows:

Name of the Member	Status	No. of meetings attended
Mr. Yoshifumi Iida, President, CEO & MD	Chairman	1
Mr. Vinay Mittal, Whole Time Director & CFO	Member	1
Mr. Nitin Jain, Assistant General Manager	Member	1

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 Conduct Guidelines that serve 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 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.hondasielpower.com. All Board members and 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 SEBI (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto 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.hondasielpower.com.

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
2017-18	August 13, 2018	1100 hours	Kamani Auditorium No. 1, Copernicus Marg, New Delhi-110001	No special resolution was passed
2016-17	August 04, 2017	1100 hours		No special resolution was passed
2015-16	August 11, 2016	1245 hours		Adoption of new set of Articles of Association

No resolution was passed through Postal Ballot during the year 2018-19. The Company as on the date of this report is not envisaging to pass any resolution through Postal Ballot.

5. Means of Communication

- The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India, viz, Business Standard English & Hindi (Edition). The Company has sent financial results to the Stock Exchanges within the stipulated time 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 www.hondasielpower.com and website of National Stock Exchange of India Ltd. (www.nseindia.com), BSE Limited (www.bseindia.com). The Company's website also displays the official news releases as and when these are released.
- The Company made no presentation to the Analysts during the Financial year 2018-19.
- Annual Report containing inter-alia, Financial Statements, Board's Report, Auditors' Report and other important information is circulated to Members and others entitled thereto. The Management Discussion & Analysis Report forms part of the Annual Report and is provided as **Annexure-A** in this Annual Report.

6. General Shareholders' Information

i. 34th Annual General Meeting

Day, Date & Time	: Wednesday, August 07, 2019, 11:00 A.M.
Venue	: Kamani Auditorium, 1, Copernicus Marg, New Delhi-110001.
Financial Year	: Year ended March 31, 2019
Book Closure	: August 01, 2019 to August 07, 2019 (both days inclusive)
Dividend Payment Date	: September 04, 2019

ii. Tentative Financial Calendar 2019-20 (Subject to change)

The tentative dates for approval of Unaudited / Audited Financial Results for 2019 - 20, are as follows:

Quarter ending June 30, 2019	2 nd week of August, 2019
Quarter ending September 30, 2019	2 nd week of November, 2019
Quarter ending December 31, 2019	2 nd week of February, 2020
Quarter ending March 31, 2020	Last week of May 2020 (Audited)

iii. Dividend Details

Unclaimed dividends up to financial year 1994-95 have been transferred to the General Revenue Account of the Central Government and for the financial years 1995-96 to 2010-11 to Investor Education and Protection Fund constituted by the Central Government. Details of unclaimed dividend as on March 31, 2019 are given hereunder:

Period	Rate (%)	Date of declaration	Date of payment	Unclaimed dividend (₹)
2011-12	90	31-08-2012	21-09-2012	7,23,096.00
2012-13	40	05-08-2013	02-09-2013	3,93,500.00
2013-14	40	05-08-2014	02-09-2014	4,04,572.00
2014-15	60	12-08-2015	08-09-2015	5,71,512.00
2015-16	60	11-08-2016	07-09-2016	5,81,148.00
2016-17	75	04-08-2017	01-09-2017	7,71,090.50
2017-18	90	13-08-2018	10-09-2018	7,73,802.00

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	HONDAPOWER

Listing fees for the year 2019–20 has been paid to BSE and NSE respectively.

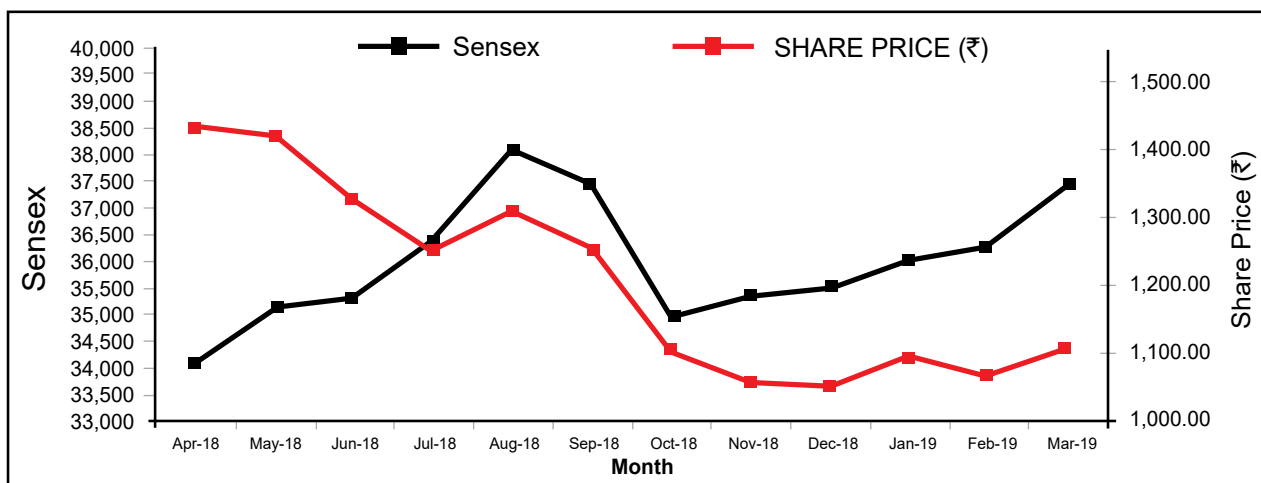
v. Stock Market Data

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-18	1518.95	1349.00	15,178	1,525.00	1,335.00	72,162
May-18	1527.95	1315.00	13,929	1,520.05	1,315.00	60,071
June-18	1384.70	1265.05	7,272	1,371.70	1,260.00	42,903
July-18	1298.90	1201.05	56,821	1,299.80	1,200.00	37,350
August-18	1387.05	1222.60	57,094	1,389.90	1,221.25	2,30,865
September-18	1409.95	1101.60	45,853	1,408.80	1,101.05	1,49,502
October-18	1164.00	1043.00	14,308	1,184.00	1,040.00	84,702
November-18	1098.00	1017.55	6,813	1,090.00	1,017.00	46,139
December-18	1090.00	1012.05	3,759	1,098.00	1,008.00	49,354
January-19	1145.95	1046.40	8,647	1,175.00	1,052.55	52,689
February-19	1109.00	1030.05	5,872	1,155.00	1,029.95	58,424
March-19	1167.00	1045.05	11,637	1,170.00	1,047.80	51,789

vi. Performance comparison: BSE Sensex Vs. Honda SIEL Power Products' Share Price



vii. Registrar and Transfer Agents

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

Mr. Sharvan Mangla
M/s Mas Services Limited

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

viii. Investors' Service and Share Transfer System

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

Honda Siel Power Products Limited,
Secretarial & Legal Department,

Plot No. 5, Sector 41 (Kasna), Greater Noida Industrial Development Area, Distt. Gautam Budh Nagar, U.P. -201 310.
 Phone Nos: 0120-2590211, 2341055-59; Email : ho.legal@hspp.com

Confirmation in respect of the request received by the RTA 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 the Regulations on half yearly basis from a Company Secretary in practice and files a copy of the certificate with the Stock Exchanges.

ix. Distribution of shareholdings as on March 31, 2019

No. of shareholders	% to total	Shareholding of Nominal Value of ₹	No. of shares	Amount in ₹	% to Total
15,754	95.514	1 to 5000	10,91,809	1,09,18,090	10.764
417	2.528	5001 to 10000	3,13,261	31,32,610	3.088
189	1.146	10001 to 20000	2,75,492	27,54,920	2.716
44	0.267	20001 to 30000	1,06,789	10,67,890	1.053
23	0.139	30001 to 40000	82,125	8,21,250	0.81
14	0.085	40001 to 50000	65,535	6,55,350	0.646
28	0.170	50001 to 100000	2,00,443	20,04,430	1.976
25	0.152	100001 and ABOVE	80,07,617	8,00,76,170	78.947
16,494	100	TOTAL	1,01,43,071	10,14,30,710	100

x. Pattern of shareholding as on March 31, 2019

Categories	No. of shares	Shareholding (%)
Promoters	68,63,433	67.67
Mutual Funds	6,41,155	6.32
Alternate Investment Funds	1,50,000	1.48
Foreign Portfolio Investors	34,450	0.34
Financial Institutions / Banks	7,003	0.07
Individuals	21,10,523	20.81
NBFC Registered with RBI	4,620	0.05
Bodies Corporate	1,23,573	1.22
NRIs, FIIs, OCBs etc.	1,42,412	1.40
IEPF	40,241	0.40
Others (Clearing Members & Trust)	25,661	0.25
Total	1,01,43,071	100

xi. Dematerialization of shares and liquidity

98.56% of total equity capital is held in dematerialised form with NSDL and CDSL as on March 31, 2019. During the year, (i.e. from 01-04-2018 to 31-03-2019) 486 share certificates involving 18,540 shares were dematerialized by the shareholders representing 0.18% 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, 2019, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.
- xiii. During the period under review, the Company has not dealt in any commodity hedging activities and there are no Commodity price risks undertaken by the Company.
- xiv. **Plant locations**
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 the Regulations are furnished under Note No. 30 of 'Notes to Financial Statement for the year ended March 31, 2019.
 - (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 Exchange 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 through this mechanism are free to report violation of laws, rules, regulations or unethical conduct of any employee of the Company.
 - (v) The Company has complied with all mandatory requirements as stipulated in the Regulations and SEBI Amendment Regulations.
 - (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 www.hondasielpower.com.
 - (viii) The Company, during the Financial Year 2018-19, has not issued any debt instruments or Fixed Deposits or any scheme or proposal involving mobilization of funds. Hence, no credit ratings were obtained.
 - ix) During the Financial Year 2018-19, no funds were raised through preferential allotment or qualified Institution Placements as specified under Regulation 32(7A).
 - x) During the year, the Board has accepted all such proposals as recommended by the Committees of the Board.
 - xi) During the Financial Year 2018-19, the Company has paid a total fees of ₹ 66.50 lakhs to M/s Price Waterhouse Chartered Accountants, LLP, statutory Auditor of the Company towards the audit fees and other services.
8. The status of adoption of the non-mandatory requirements as prescribed in Regulation 27(1) of the Regulations is as under:

Audit Qualification

The Company is in the regime of unqualified financial statements.

Separate Posts of Chairman and CEO

The Company has appointed separate persons to the post of Chairman and of Managing Director/CEO.

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 46 of the Regulations with zero non-compliances.

10. Quarterly Compliance Report

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

11. Compliance with Code of Conduct

A declaration by the President, CEO & MD 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, 2019 is annexed as **Annexure -H**.

12. CEO/CFO Certification

In terms of Regulation 17(8) of the Regulations, 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- I**.

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 the Regulations. The Certificate is annexed as **Annexure-J**.

T.V. NARAYANASWAMY
COMPANY SECRETARY

CERTIFICATE

On the basis of the declarations made by the respective directors on the 31st March, 2019 which declarations were taken note of by the Board of Directors of Honda Siel Power Products Limited on the 1st April, 2019, I certify that none of the directors on the Board of the company have been debarred or disqualified from being appointed or continuing as directors of the said company.

May 07, 2019

Sd/-
(T V NARAYANASWAMY)
COMPANY SECRETARY
CP No: 203

ANNEXURE-H**CERTIFICATE AND DECLARATION**

I, Yoshifumi Iida, in my capacity as President, CEO & MD of Honda Siel 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, 2019, 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 Siel Power Products Limited**

Sd/-
Yoshifumi Iida
President, CEO & MD

ANNEXURE-I**CERTIFICATE**

We, Yoshifumi Iida, President, CEO & MD and Vinay Mittal, Whole Time Director and Chief Financial Officer of Honda Siel 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 violative 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 Siel Power Products Limited,**

May 28, 2019

Sd/-
Vinay Mittal
 Whole Time Director &
 Chief Financial Officer

Sd/-
Yoshifumi Iida
 President, CEO & MD

T.V. NARAYNASWAMY
COMPANY SECRETARY

CERTIFICATE

To the Members of Honda Siel Power Products Limited,

I have examined the compliance of conditions of Corporate Governance by Honda Siel Power Products Limited for the year ended March 31, 2019 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

New Delhi,
May 22, 2019.

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

ANNEXURE-K

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	15x
		Director	12x
		CFO	8x
		CS	1x
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	13%
		CS	14%
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 10%. 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 769.	
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 9.5%. 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 SIEL POWER PRODUCTS LIMITED

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Honda Siel Power Products Limited ("the Company"), which comprise the balance sheet as at March 31, 2019 and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and 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, 2019 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.

Key audit matters

4. 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 has adopted Ind-AS 115 "Revenue from Contracts with Customers" which is effective from April 1, 2018. The Company has reviewed its existing customer contracts in this regard.</p> <p>Management has used 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 recognised 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; and further, additional disclosures are required to be made in the year of adoption in accordance with the Ind AS 115.</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 preformation obligation; - Evaluating the contract terms for assessment of the timing of transfer of control to the customer to assess whether revenue is recognised 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

5. 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

6. 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.
7. 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

8. 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.
9. 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
 - 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.
10. 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.
11. 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.
12. 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

13. As required by the Companies (Auditor's Report) Order, 2016 ("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.
14. 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 Cash Flow Statement 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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, 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 pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019; and
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

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

Abhishek Rara
Partner
Membership Number 077779

Place: New Delhi
Date: May 28, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Honda Siel Power Products Limited on the financial statements for the year ended March 31, 2019

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 Siel Power Products Limited ("the Company") as of March 31, 2019 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 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.

Auditors' 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 on Audit of Internal Financial Controls Over Financial Reporting (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, 2019, 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 issued by the Institute of Chartered Accountants of India.

Place: New Delhi
Date: May 28, 2019

For **Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016
Chartered Accountants
Abhishek Rara
Partner
Membership Number 077779

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Honda Siel Power Products Limited on the financial statements as of and for the year ended March 31, 2019

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment and intangible assets.
- (b) The fixed assets 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 fixed assets 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 immovable properties, as disclosed in Note 3 on property, plant and equipment to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory including stocks with third parties have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it. The Company has not granted any loans under section 185 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public 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, the Company is generally regular in depositing undisputed statutory dues in respect of income tax (tax deducted at source), though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, 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. Also, refer note 31 (v) to the financial statements regarding management's assessment on certain matter 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 dues of goods and services tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs and duty of excise duty, as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Amount Deposited Under protest (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Customs duty	49.67	49.67	2011-2014	Customs Excise & Service Tax Appellate Tribunal, Chennai
Customs Act, 1962	Customs duty	7.11	7.11	2012-2014	Commissioner Of Customs (Appeals), Mumbai
Customs Act, 1962	Customs duty	22.76	22.76	2014-2015	Customs Excise & Service Tax Appellate Tribunal, Chennai, Chennai
Customs Act, 1962	Customs duty	1.36	1.36	2015-2016	Commissioner Of Customs (Appeals), Chennai
Central Excise Act, 1944	Excise duty	1.23	0.35	December 2003 to March 2004	Assistant Commissioner, Rampur
Central Excise Act, 1944	Excise duty	181.36	-	May 2003 to Feb 2004	Supreme Court of India
Central Excise Act, 1944	Excise duty	102.75	-	2014-15	High Court, Allahabad
Central Excise Act, 1944	Excise duty	115.57	115.57*	2015-16	Commissioner, Noida
Central Excise Act, 1944	Excise duty	90.39	90.39*	2016-17	Commissioner, Noida
Central Excise Act, 1944	Excise duty	8.05	8.05*	2017-18	Commissioner, Noida
Central Excise Act, 1944	Excise duty	72.66	-	April 02 – Dec 02	High Court, Uttaranchal
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	-	2000-2001	WBCT Appellate & revision board
Various Sales Tax Acts	Sales tax	5.23	1.57	2000-2001	Sales Tax Tribunal, Patna
Various Sales Tax Acts	Sales tax	1.74	0.43	2001-2002	Sales Tax Tribunal, Patna
Various Sales Tax Acts	Sales tax	0.15	-	2002-2003	Deputy Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	1.19	-	2003-2004	Deputy Commissioner (Appeals), Bhopal
Various Sales Tax Acts	Sales tax	5.96	-	2004-2005	Joint Commissioner (Appeals), Rudrapur

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Amount Deposited Under protest (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Various Sales Tax Acts	Sales tax	4.67	1.48	2007-2008	Deputy Commissioner (Appeal), Earnakulam
Various Sales Tax Acts	Sales tax	1.78	0.18	2007-2008	Sales Tax Appellate Authority, Bhopal
Various Sales Tax Acts	Sales tax	1.93	0.71	2008-2009	Deputy Commissioner (Appeals). Earnakulam
Various Sales Tax Acts	Sales tax	22.83	-	2009-2010	Deputy Commissioner (Appeals), Earnakulam
Various Sales Tax Acts	Sales tax	0.74	-	2012-2013	Deputy Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	63.49	9.53	2011-12	Deputy Commissioner (Appeals), Raipur
Various Sales Tax Acts	Sales tax	22.43	3.37	2012-13	Deputy Commissioner (Appeals), Raipur
Various Sales Tax Acts	Sales tax	5.66	-	2013-14	Deputy Commissioner (Appeals, Jammu)
Various Sales Tax Acts	Sales tax	15.05	-	2015-16 & 2016-17	Deputy Commissioner, Ranchi
Various Sales Tax Acts	Sales tax	38.35	-	2014-15	Commissioner (Appeals), Noida
Various Sales Tax Acts	Sales tax	4.42	1.11	2015-16	Deputy Commissioner, Patna
Various Sales Tax Acts	Sales tax	15.43	6.79	2010-11 & 2011-12	Deputy Commissioner, Assam
Various Sales Tax Acts	Sales tax	60.14	1.09	2015-16	Commissioner (Appeals), Noida
Income-tax Act , 1961	Income tax	56.89	20	1995-1996	Commissioner of Income Tax (Appeals)
Income-tax Act , 1961	Income tax	30.9	-	2004-2005	Commissioner of Income Tax (Appeals)
Income-tax Act , 1961	Income tax	1,683	612	2011-2012	Income Tax Appellate Tribunal
Income-tax Act , 1961	Income tax	1,543	1,021	2012-2013	Commissioner of Income Tax (Appeals)
Income-tax Act , 1961	Income tax	1,999	400	2014-15	Commissioner of Income Tax (Appeals)
Income-tax Act , 1961	Income tax	635	127	2015-16	Commissioner of Income Tax (Appeals)

* Amount already deposited, dispute regarding refund on provisional assessment.

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. 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 by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. 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.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are 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 (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Abhishek Rara
Partner
Membership Number 077779

Place: New Delhi
Date: May 28, 2019

Balance sheet as at March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	Notes	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	9,258	9,709
Capital work-in-progress	3	344	94
Intangible assets	4	197	364
Financial assets			
i. Loans and advances	5(d)	84	95
ii. Other financial assets	5(e)	1,108	3,055
Deferred tax assets (net)	6	363	185
Non-current tax assets (net)	7	3,920	3,336
Other non-current assets	8	1,008	676
Total non-current assets		16,282	17,514
Current assets			
Inventories	9	11,168	9,076
Financial assets			
i. Trade receivables	5(a)	6,369	6,360
ii. Cash and cash equivalents	5(b)	1,796	2,116
iii. Other bank balances	5(c)	4,300	17,067
iv. Loans and advances	5(d)	16,068	66
v. Other financial assets	5(e)	371	675
Other current assets	10	9,194	6,780
Total current assets		49,266	42,140
Total assets		65,548	59,654
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	1,014	1,014
Other equity			
Reserve & Surplus	11(b)	50,696	46,431
Total equity		51,710	47,445
LIABILITIES			
Non-current liabilities			
Provisions	14	52	67
Total non-current liabilities		52	67
Current liabilities			
Financial liabilities			
i. Trade payables			
-Total outstanding dues to micro and small enterprises		261	103
-Total outstanding dues to other than micro and small enterprises		8,053	7,504
ii. Other financial liabilities	12(b)	1,708	1,305
Contract Liabilities	13	1,101	-
Provisions	14	1,088	1,054
Other current liabilities	15	1,575	2,176
Total current liabilities		13,786	12,142
Total liabilities		13,838	12,209
Total equity and liabilities		65,548	59,654

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

Chartered Accountants

Abhishek Rara

Partner

Membership No. 077779

Sunita Ganjoo

Company Secretary

For and on behalf of the Board of Directors of

Honda Siel Power Products Limited

Manoj Arora

Director

Alka M. Bharucha

Director

Yoshifumi Iida

President and CEO

H. Sugimizu

Whole time director

Vinay Mittal

Whole time director & CFO

Place: New Delhi

Date: 28th May 2019

Statement of profit and loss for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	16	81,588	77,741
Other income	17	1,766	1,494
Total income		83,354	79,235
Expenses			
Cost of materials consumed	18	44,173	37,920
Purchases of stock in trade		7,116	5,108
Changes in inventories of finished goods, work in progress and stock-in-trade	19	(1,208)	2,554
Excise duty		-	961
Employee benefits expense	20	9,829	8,649
Finance costs	21	12	24
Depreciation and amortisation expense	22	2,113	2,251
Other expenses	23	12,638	12,334
Total expenses		74,673	69,801
Profit before exceptional items & tax		8,681	9,434
Exceptional Items	36	350	-
Profit after exceptional items before tax		8,331	9,434
Tax expense	24		
- Current tax		3,067	3,399
- Deferred tax		(151)	(106)
Total tax expense		2,916	3,293
Profit for the year		5,415	6,141
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	25	(76)	(47)
Income tax relating to this item		27	16
Other comprehensive income for the year, net of tax		(49)	(31)
Total comprehensive income for the year		5,366	6,110
Earnings per equity share	34		
Basic		53.39	60.54
Diluted		53.39	60.54

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.

For Price Waterhouse Chartered Accountants LLP

Firm Registration No. 012754N/ N500016

Chartered Accountants

Abhishek Rara

Partner

Membership No. 077779

Sunita Ganjoo

Company Secretary

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

Manoj Arora

Director

Alka M. Bharucha

Director

Yoshifumi Iida

President and CEO

H. Sugimizu

Whole time director

Vinay Mittal

Whole time director & CFO

Place: New Delhi

Date: 28th May 2019

Statement of changes in equity for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital		Notes	Amount		
As at April 1, 2017				1,014	
Changes in equity share capital	11		-		
As at March 31, 2018				1,014	
Changes in equity share capital	11		-		
As at March 31, 2019				1,014	
B. Other equity		Reserves & surplus			
		Securities premium reserve	General reserve	Retained earnings	Total
Balance at April 1, 2017		396	12,087	28,754	41,237
Profit for the year		-	-	6,141	6,141
Other comprehensive income		-	-	(31)	(31)
Total comprehensive income for the year		-	-	6,110	6,110
Transactions with owners in their capacity as owners:					
Dividend paid		-	-	(761)	(761)
Dividend distribution tax on dividend paid on equity shares		-	-	(155)	(155)
		-	-	(916)	(916)
Balance at March 31, 2018		396	12,087	33,948	46,431
Balance at April 1, 2018		396	12,087	33,948	46,431
Profit for the year		-	-	5,415	5,415
Other comprehensive income		-	-	(49)	(49)
Total comprehensive income for the year		-	-	5,366	5,366
Transactions with owners in their capacity as owners:					
Dividend paid		-	-	(913)	(913)
Dividend distribution tax on dividend paid on equity shares		-	-	(188)	(188)
		-	-	(1,101)	(1,101)
Balance at March 31, 2019		396	12,087	38,213	50,696

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.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration No. 012754N/ N500016

Chartered Accountants

Abhishek Rara

Partner

Membership No. 077779

Sunita Ganjoo

Company Secretary

For and on behalf of the Board of Directors of
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Director

Yoshifumi Iida

President and CEO

H. Sugimizu

Whole time director

Vinay Mittal

Whole time director & CFO

Place: New Delhi

Date: 28th May 2019

Statement of cash flows for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flow from operating activities		
Profit before exceptional items & tax	8,681	9,434
Adjustments for:		
Depreciation and amortisation expense	2,113	2,251
Net (gain)/loss on disposal of property, plant and equipment and intangible assets	(50)	(33)
Interest income on bank deposits and loan	(1,480)	(1,268)
Interest income on income tax refund	(110)	(105)
Finance costs	12	24
Net unrealised exchange differences	110	93
Provisions / liabilities written back to the extent no longer required	(45)	(68)
Bad Debts Written Off	5	-
Allowance for doubtful advances	11	3
Provision for slow moving inventory	53	-
Advances written off	28	-
Operating profit before working capital changes	9,328	10,331
(Increase)/Decrease in trade receivables	(122)	(3,801)
(Increase)/Decrease in inventories	(2,145)	3,019
Increase/(Decrease) in trade payables	753	509
(Increase)/Decrease in financial assets	9	8
(Increase)/Decrease in other non current assets	(74)	563
(Increase)/Decrease in other current assets	(2,445)	(1,891)
Increase/(Decrease) in provisions	(57)	225
Increase/ (Decrease) in other financial liabilities	203	171
Increase/ (Decrease) in contract liabilities	1,101	-
Increase/(Decrease) in other current liabilities	(601)	168
Cash generated from/ (used in) operations	5,950	9,302
Income taxes paid including interest (net of refunds and interest received on Income tax refund)	(3,541)	(3,802)
Exceptional Items	(350)	-
Net cash inflow/ (outflow) from operating activities - Total (A)	2,059	5,500
B. Cash flows from investing activities		
Payments for property, plant and equipment	(1,820)	(1,397)
Payments for intangibles	(15)	(184)
Proceeds from sale of property, plant and equipment	71	43
Loan to fellow subsidiary	(16,000)	-
Investment in fixed deposits	(23,272)	(16,966)
Proceeds from maturity of fixed deposits	37,988	11,073
Interest received on loans and fixed deposits	1,785	893
Net cash inflow/ (outflow) from investing activities - Total (B)	(1,263)	(6,538)
C. Cash flows from financing activities		
Dividend paid to company's shareholders	(913)	(761)
Dividend distribution tax	(188)	(155)
Interest Cost	(12)	(24)
Net cash inflow/ (outflow) from financing activities - Total (C)	(1,113)	(940)
D. Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)	(317)	(1,978)
Cash and cash equivalents at the beginning of the year	2,116	4,104
Effects of exchange rate changes on cash and cash equivalents	(3)	(10)
Cash and cash equivalents at the end of the year	1,796	2,116
Reconciliation of cash and cash equivalents as per the cash flow statement		
Cash and cash equivalents as per above comprise of the following		
Cash and cash equivalents [Refer note 5(b)]	1,796	2,116
Balances per statement of cash flows	1,796	2,116

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.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration No. 012754N/ N500016

Chartered Accountants

Abhishek Rara

Partner

Membership No. 077779

Date: 28th May 2019

Place: New Delhi

Sunita Ganjoo

Company Secretary

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

Manoj Arora

Director

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Director

Yoshifumi Iida

President and CEO

H. Sugimizu

Whole time director

Vinay Mittal

Whole time director & CFO

Notes to the financial statements for the year ended March 31, 2019

1. Company overview

Honda Siel 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 Company Identification Number of the Company is L40103DL2004PLC203950.

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) New and amended standards adopted by the Company

- Ind AS 115, Revenue from Contracts with Customers

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.

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

Notes to the financial statements for the year ended March 31, 2019

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, technical knowhow - others and computer software.

The amortization rates are as follows:

Block of Asset	Estimated life (Years)
Technical knowhow – Model fees	5 Years
Technical knowhow – Others	6 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 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.

Notes to the financial statements for the year ended March 31, 2019

vi) Inventories

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

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

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

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.

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

Notes to the financial statements for the year ended March 31, 2019

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 on the basis of 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.

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. As a consequence, 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.

Notes to the financial statements for the year ended March 31, 2019

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 losses 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

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,

Notes to the financial statements for the year ended March 31, 2019

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 performed 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.

The current income tax charge is calculated on the basis of 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 on the basis of 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

Notes to the financial statements for the year ended March 31, 2019

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 of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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 are 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.

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account:

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 licence agreement.

xxiv) Rounding of amounts

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

3. 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 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 in light of 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.
- Estimation of defined benefit obligation – Note 25
- Estimation of provision for warranty claims – Note 14

Notes to the financial statements for the year ended March 31, 2019

- 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.

4. Recent accounting pronouncements:**(a) IND AS 116 Leases:**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases and related Interpretations. The standards sets out the principles for the recognition measurement, presentation and disclosure of leases for both parties to a contract i.e. the lessee and lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, requirement for lessees. Ind AS 116 substantially carries forward the lessor accounting requirement in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual period beginning on or after April 1, 2019. The standard permits two possible methods of transition:

Full retrospective- Retrospectively to each prior presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

Its carrying amount as if the standard has been applied since the commencement date but discounted at lessee's incremental borrowing rate at the date of initial application or

An amount equal to lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

The Company is in the process of evaluating the impact of the new standard on the financial statements which is not expected to be material.

(b) Ind AS 12 Appendix C, uncertainty over Income Tax Treatments:

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind As 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatment when determining taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition –

- Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

The Company is in the process of assessing the impact of this pronouncement on the financial statements which is not expected to be material.

(c) Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base.

The Company is in the process of assessing the impact of this pronouncement on the financial statements which is not expected to be material.

(d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement-

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus did not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is in the process of assessing the impact of this pronouncement on the financial statements which is not expected to be material.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

	Freehold land	Leasehold land	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computers	Total	Capital work-in-progress (CWIP)
Year ended March 31, 2018										
Opening gross carrying amount	117	404	3,501	7,503	91	452	68	64	12,200	33
Additions (including transfers from CWIP)	-	-	12	1,153	9	152	31	120	1,477	1,180
Disposals (including transfers out of CWIP)	-	-	-	(43)	(5)	(124)	(5)	(25)	(202)	(1,119)
Closing gross carrying amount	117	404	3,513	8,613	95	480	94	159	13,475	94
Accumulated depreciation										
Opening accumulated depreciation	-	6	139	1,678	23	45	13	25	1,929	-
Depreciation charge during the year	-	6	140	1,636	25	153	23	46	2,029	-
Disposals	-	-	-	(41)	(4)	(117)	(5)	(25)	(192)	-
Closing accumulated depreciation	-	12	279	3,273	44	81	31	46	3,766	-
	117	392	3,234	5,340	51	399	63	113	9,709	94
Year ended March 31, 2019										
Gross carrying amount										
Opening gross carrying amount	117	404	3,513	8,613	95	480	94	159	13,475	94
Additions (including transfers from CWIP)	-	-	49	960	14	306	70	102	1,501	1,308
Disposals (including transfers out of CWIP)	-	-	-	(793)	(7)	(150)	(7)	(9)	(966)	(1,058)
Closing gross carrying amount	117	404	3,562	8,780	102	636	157	252	14,010	344
Accumulated depreciation										
Opening accumulated depreciation	-	12	279	3,273	44	81	31	46	3,766	-
Depreciation charge during the year	-	6	141	1,507	20	171	24	62	1,931	-
Disposals	-	-	-	(790)	(5)	(135)	(7)	(8)	(945)	-
Closing accumulated depreciation	-	18	420	3,990	59	117	48	100	4,752	-
Net carrying amount	117	386	3,142	4,790	43	519	109	152	9,258	344

(i) Contractual obligations

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

Notes to the financial statements for the year ended March 31, 2019

(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, 2018				
Gross carrying amount				
Opening gross carrying amount	327	303	630	-
Additions (including transfers from intangible assets under development)	-	184	184	124
Disposals (including transfer out of intangible assets under development)	-	-	-	(124)
Closing gross carrying amount	327	487	814	-
Accumulated amortisation				
Opening accumulated amortisation	117	111	228	-
Amortisation charge for the year	103	119	222	-
Disposals	-	-	-	-
Closing accumulated amortisation	220	230	450	-
Closing net carrying amount	107	257	364	-
Year ended March 31, 2019				
Gross carrying amount				
Opening gross carrying amount	327	487	814	-
Additions (including transfer from intangible assets under development)	-	15	15	-
Disposals	-	-	-	-
Closing gross carrying amount	327	502	829	-
Accumulated amortisation				
Opening accumulated amortisation	220	230	450	-
Amortisation charge for the year	50	132	182	-
Disposals	-	-	-	-
Closing accumulated amortisation	270	362	632	-
Closing net carrying amount	57	140	197	-

Note 5: Financial assets

5(a) Trade receivables

	March 31, 2019	March 31, 2018
Unsecured, considered good#*		
Trade receivables	3,208	3,473
Receivables from related parties (refer note 30)	3,161	2,887
Total receivables	6,369	6,360

includes debts amounting to INR 760 lakhs as at March 31, 2019 (March 31, 2018: 421 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, 2019 INR 79 lakhs (March 31, 2018: 77 lakhs), being a fellow subsidiary Company having common directors.

5(b) Cash and cash equivalents

	March 31, 2019	March 31, 2018
Balances with banks		
- In current accounts	158	1,091
- In EEFC accounts	611	972
Deposits with maturity of less than three months	801	5
Cheques on hand	221	40
Cash on hand	5	8
Total cash and cash equivalents	1,796	2,116

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, 2019	March 31, 2018
Bank deposits with maturity more than 3 months but less than 12 months	4,258	17,028
Unpaid dividend accounts*	42	39
Total other bank balances	4,300	17,067

*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.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

5(d) Loans and advances

	March 31, 2019		March 31, 2018	
	Current	Non - current	Current	Non - current
Unsecured, considered good				
Security deposits	68	84	66	95
Loan to fellow subsidiary (refer note 30)*	16,000	-	-	-
Unsecured, considered doubtful				
Security deposits	9	-	10	-
Less: Provision for doubtful security deposits	(9)	-	(10)	-
Total loans	16,068	84	66	95

* The loan has been given for a period of 12 months and interest is to be charged at a rate of 7.4% per annum.

The loan is repayable on demand by the Company (Lender).

5(e) Other financial assets

	March 31, 2019		March 31, 2018	
	Current	Non - current	Current	Non - current
Unsecured, considered good, unless otherwise stated				
Long-term deposits with banks with remaining maturity period more than 12 months	-	1,106	-	3,052
Interest accrued on bank deposits and loans*	371	2	675	3
Total other financial assets	371	1,108	675	3,055

*Includes amount accrued on loan to a fellow subsidiary. as at March 31, 2019 INR 175 lakhs (March 31, 2018: Nil)

Note 6: Deferred tax assets (net)

The balance comprises temporary differences attributable to:

	March 31, 2019	March 31, 2018
Expenditure covered by section 43B of Income-tax Act, 1961	311	243
<i>Other items</i>		
Provision for slow moving inventory and discontinued models	101	83
Provision for doubtful advances	91	101
Total deferred tax assets	503	427
Set-off of deferred tax liabilities pursuant to set-off provisions		
Property, plant and equipment and intangible assets	(100)	(205)
<i>Other items</i>		
Deferred revenue	(40)	(37)
Total deferred tax liabilities	(140)	(242)
Net deferred tax assets	363	185

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, 2017	205	(380)	238	63
(Charged)/credited:				
- to profit or loss	22	175	(91)	106
- to other comprehensive income	16	-	-	16
At March 31, 2018	243	(205)	147	185
(Charged)/credited:				
- to profit or loss	41	105	5	151
- to other comprehensive income	27	-	-	27
At March 31, 2019	311	(100)	152	363

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 7: Non Current Tax assets (net)

	March 31, 2019	March 31, 2018
Advance income tax		
Opening balance	3,336	2,827
Add: Taxes paid	356	579
Add: Tax refunds/adjustment	228	105
Less: Current tax payable for the year	-	(175)
Closing balance*	3,920	3,336

*Includes paid under protest as at March 31, 2019 INR 2,180 lakhs (March 31, 2018 : INR 2011 lakhs).

Note 8: Other non-current assets

	March 31, 2019	March 31, 2018
Unsecured, considered good, unless otherwise stated		
Capital advances	339	73
Recoverable from government authorities*	644	588
Prepaid expenses	25	15
Total	1,008	676
Unsecured, considered doubtful		
Special additional duty recoverable	184	184
Export benefits recoverable	27	27
Others	41	30
Total	252	241
Less: Allowance for doubtful advances	(252)	(241)
Total other non-current assets	1,008	676

* Includes deposit under protest as at March 31, 2019 INR 214 lakhs (March 31, 2018 : INR 213 lakhs)

Note 9: Inventories

	March 31, 2019	March 31, 2018
Raw materials [includes in transit: INR 3,301 lakhs (March 31, 2018: INR 2,515 lakhs)]	5,963	5,078
Work-in-progress	615	472
Finished goods [includes in transit: INR 241 lakhs (March 31, 2018: INR 656 lakhs)]	3,058	2,535
Stock-in-trade [includes in transit: INR 566 lakhs (March 31, 2018: INR 301 lakhs)]	1,629	1,087
Stores and spares	193	141
Less : Provision for slow moving inventory	(250)	(195)
Less: Provision for raw material inventory related to discontinued models	(40)	(42)
Total inventories	11,168	9,076

Note 10: Other current assets

	March 31, 2019	March 31, 2018
Unsecured, considered good, unless otherwise stated		
Recoverable from related parties (refer note 30)	33	11
Advances for supply of goods	51	72
Prepaid expenses	136	131
Recoverable from government authorities	89	89
CENVAT credit receivable	47	119
GST receivable	8,597	5,965
Special additional duty recoverable	38	60
Export benefits recoverable	192	318
Others**	11	15
Total	9,194	6,780

** includes advances due from directors or other officers as a part of the conditions of service extended by the Company to all its employees at March 31, 2019 INR 7 lakhs (March 31, 2018: INR Nil).

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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, 2018	15,000,000	1,500
At the end of the year - As at March 31, 2019	15,000,000	1,500

Issued, subscribed and paid up share capital

	Number of shares	Amount
Balance at the beginning of year - As at March 31, 2018	10,143,071	1,014
Balance at the end of the year - As at March 31, 2019	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, 2018	10,143,071	1,014
Balance at the end of the year - As at March 31, 2019	10,143,071	1,014

Terms and rights attached to equity shares

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

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.

	March 31, 2019	March 31, 2018
Honda Motor Co. Ltd., Japan	6,762,000	6,762,000

(iii) Details of shareholders holding more than 5% equity shares in the Company

	March 31, 2019		March 31, 2018	
	Number of shares	% holding	Number of shares	% holding
Honda Motor Co. Ltd., Japan	6,762,000	66.67%	6,762,000	66.67%
Reliance Capital Trustee Co. Ltd., India	628,609	6.20%	593,070	5.85%

11(b) Other equity

Reserve & Surplus

	March 31, 2019	March 31, 2018
Securities premium reserve	396	396
General reserve	12,087	12,087
Retained earnings	38,213	33,948
Total other equity	50,696	46,431

(i) Securities premium reserve

	March 31, 2019	March 31, 2018
Balance at the beginning of year	396	396
Balance at the end of the year	396	396

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

(ii) General reserve

	March 31, 2019	March 31, 2018
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, 2019	March 31, 2018
Balance at the beginning of year	33,948	28,754
Net profit for the year	5,415	6,141
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of post-employment benefit obligation, net of tax	(49)	(31)
Dividend on equity shares	(913)	(761)
Dividend distribution tax	(188)	(155)
Balance at the end of the year	38,213	33,948

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.

Retained earnings

Retained earnings represent the undistributed profits of the Company.

During the year a dividend of Rs 9 per share, total dividend Rs. 913 lakhs (Previous Year Rs 7.50 per share, total dividend 761 lakhs) was paid to equity shareholders. The board of directors recommended the final dividend of Rs 10 per share (Nominal value of Rs. 10/share) for the financial year 2018-19. The dividend is subject to approval of shareholders in the ensuing Annual General Meeting.

Note 12: Financial liabilities

12(a) Trade payables

	March 31, 2019	March 31, 2018
Total outstanding dues of micro enterprises and small enterprises (refer note 35)	261	103
Total outstanding dues of creditors other than micro enterprises and small enterprises *	8,053	7,504
Total trade payables	8,314	7,607

* Includes amount payable to related parties amounting to INR 2,971 lakhs as at March 31, 2019 (March 31, 2018: INR 3,308 lakhs).(Refer note 30).

12(b) Other financial liabilities

	March 31, 2019	March 31, 2018
Current		
Security deposits from dealers	203	199
Interest accrued and due on security deposits	11	11
Unpaid dividends	42	39
Employee benefits payable	1,073	886
Capital creditors	304	107
Other Payables	75	63
Total other current financial liabilities	1,708	1,305

Note 13: Contract liabilities

	March 31, 2019	March 31, 2018
Contract Liabilities - Advance from customers	986	-
Contract Liabilities - Deferred service revenue	115	-
Total Contract liabilities	1,101	-

(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 (disclosed under other current liabilities as at March 31, 2018).

	March 31, 2019	March 31, 2018
Revenue recognised	679	-
	679	-

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 14: Provisions

	March 31, 2019		March 31, 2018	
	Current	Non - current	Current	Non - current
Provision for employee benefits (refer note 25)				
Compensated absences	812	-	703	-
Gratuity	134	-	202	-
Other provisions				
Warranties (refer note (i) below)	142	52	149	67
Total	1,088	52	1,054	67

(i) Information about individual 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 of one year to domestic customers and for a period ranging from one year to two years to 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, 2017	96
Provision made during the year*	282
Provision utilised during the year	(162)
As at March 31, 2018	216
Provision made during the year*	122
Provision utilised during the year	(144)
As at March 31, 2019	194

*Net of expected reimbursement of INR 0.11 lakhs (March 31, 2018: INR 0.09 lakhs) from supplies of traded goods recognised in accordance with the requirements of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

Note 15: Other current liabilities

	March 31, 2019	March 31, 2018
Statutory tax payables	552	577
Advance from customers	-	590
Deferred service revenue	-	108
Sales incentive payable	1,023	901
Total other current liabilities	1,575	2,176

Note 16: Revenue from Operations

	March 31, 2019	March 31, 2018
Revenue from Contracts with Customers		
Sale of products		
Finished goods	70,398	68,690
Stock in trade	8,085	7,194
Spares and components	1,663	506
Sale of Services	426	373
Total	80,572	76,763
Other operating revenue		
Scrap sales	143	122
Support service fees	178	140
Export benefit income	688	708
Others	7	8
	1,016	978
Total revenue from operations*	81,588	77,741

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

* Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the modified retrospective approach, which is applied to contracts outstanding as of April 01, 2018. Accordingly, the comparatives have not been retrospectively adjusted. Refer Note 2 (viii) "Significant Accounting Policies," for details. The effect on adoption of Ind AS 115 was insignificant.

* Till 30 June 2017, Revenue from operations included the applicable excise duty which was also shown as operating expense. Post the applicability of Goods and Services Tax (GST) with effect from 1 July 2017, revenue from operations is disclosed net of GST. Accordingly, the revenue from operations and other expenses for the year ended on 31st March, 2019 are not comparable with the corresponding period presented in the financial statements.

Reconciliation of revenue recognised with contract price:

	March 31, 2019	March 31, 2018
Contract Price	82,603	78,905
Sales incentive	(1,916)	(2,034)
Deferred Service Revenue	(115)	(108)
Total revenue from contracts with customers	80,572	76,763

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, 2019	March 31, 2018
Interest income from financial assets at amortised cost - Deposits with Bank	1,285	1,268
Interest income on loan to fellow subsidiary (refer note 30)	195	-
Interest income on income tax refund	110	105
Net gain on sale of property, plant and equipments	50	33
Foreign exchange fluctuation (net)	60	-
Provisions / liabilities written back to the extent no longer required	45	68
Miscellaneous income	21	20
Total other income	1,766	1,494

Note 18: Cost of materials consumed

	March 31, 2019	March 31, 2018
Raw material Inventory at the beginning of the year	5,078	5,096
Add : Purchases	45,058	37,902
Less : Raw material Inventory at the end of the year	5,963	5,078
Total cost of materials consumed	44,173	37,920

Note 19: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	March 31, 2019	March 31, 2018
Inventories at the end of the year:		
Finished goods	3,058	2,535
Stock-in-trade	1,629	1,087
Work-in-progress	615	472
	5,302	4,094
Inventories at the beginning of the year:		
Finished goods	2,535	5,110
Stock-in-trade	1,087	1,594
Work-in-progress	472	400
	4,094	7,104
(Increase) /decrease in excise duty	-	(456)
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	(1,208)	2,554

Note 20: Employee benefits expense

	March 31, 2019	March 31, 2018
Salaries, wages and bonus	8,419	7,337
Contribution to provident fund and other funds (refer note 25)	407	369
Gratuity (refer note 25)	131	113
Compensated absences (refer note 25)	221	225
Staff welfare expenses	651	605
Total employee benefits expense	9,829	8,649

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 21: Finance costs

	March 31, 2019	March 31, 2018
Interest on dealers security deposits	12	12
Interest on others	-	12
Total finance costs	12	24

Note 22: Depreciation and amortisation expense

	March 31, 2019	March 31, 2018
Depreciation of property, plant and equipment (refer note 3)	1,931	2,029
Amortisation of intangible assets (refer note 4)	182	222
Total depreciation and amortisation expense	2,113	2,251

Note 23: Other expenses

	March 31, 2019	March 31, 2018
Consumption of stores and spare parts	331	291
Power and fuel	731	594
Rent (refer note 32(b))	293	295
Repairs		
- Building	32	47
- Machinery	137	112
- Others	94	98
Insurance	90	97
Rates and taxes	12	37
Royalty	2,976	2,870
Technical guidance fees	339	280
Freight, clearing and forwarding	2,163	1,993
Commission on sales	2,554	2,574
Advertisement and sales promotion	366	465
Service expenses	187	173
Travelling expenses	599	534
Legal and professional fees (refer note 23(a))	584	514
Vehicle running expenses	136	162
Foreign exchange fluctuation (net)	-	139
Bad debts written off	5	-
Provision for slow moving inventory	53	0
Provision for doubtful advances	11	3
Advances written off	28	-
Warranty	122	282
Security expenses	97	81
Bank charges	45	43
Contribution towards corporate social responsibility (Refer note 23(b))	185	162
Miscellaneous expenses	468	488
Total other expenses	12,638	12,334

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 23(a): Details of payments to auditors

	March 31, 2019	March 31, 2018
Payments to auditors#		
As auditor:		
Audit fee	55	31
Tax audit fee	3	3
Limited reviews fee	9	9
Re-imbusement of expenses	10	3
In Other Capicity:		
Certification Fees	-	1
Total payments to auditors	77	47
# excluding service tax/GST		

Note 23(b): Corporate social responsibility expenditure

As per Section 135 of the Companies Act 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The Company has contributed INR 185 lakhs (March 2018: 86 lakhs) towards Prime Minister National Relief Fund & Rs. Nil (March 2018: 76 lakhs) towards Confederation of Indian Industry, as specified in Schedule VII of the Companies Act, 2013.

	March 31, 2019	March 31, 2018
Amount required to be spent as per Section 135 of the Act	185	162
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	185	162

Note 24: Income tax expense

	March 31, 2019	March 31, 2018
(a) Income tax expense		
Current tax		
Current tax on profits for the year	3,067	3,399
Total current tax expense	3,067	3,399
Deferred tax		
Decrease/(increase) in deferred tax assets	(155)	69
(Decrease)/increase in deferred tax liabilities	4	(175)
Total deferred tax expense/(benefit)	(151)	(106)
Income tax expense	2,916	3,293

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

	March 31, 2019	March 31, 2018
Profit before income tax expense	8,331	9,434
Tax at the India tax rate of 34.944% (2017-2018: 34.608%)	2,911	3,265
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Amortisation of leasehold land	2	2
Corporate social responsibility expenditure	-	26
Interest On Income Tax	-	4
Other items	3	(4)
Income tax expense	2,916	3,293

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 25 : Employee benefits

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

The amount of the provision of INR 812 lakhs (March 31, 2018: INR 703 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 take the full amount of accrued leave or require payment within the next 12 months.

	March 31, 2019	March 31, 2018
Leave obligations not expected to be settled within the next 12 months	734	642

(ii) Defined contribution plans

Superannuation Fund

The expense recognised during the period towards defined contribution plan is INR 82 lakhs (March 31, 2018: 74 lakhs).

Employee State Insurance

The expense recognised during the period towards defined contribution plan is INR 22 lakhs (March 31, 2018: 22 lakhs).

(iii) Post-employment obligations

(a) Gratuity

(b) Provident fund

The expenses recognised during the period towards provident fund is INR 303 lakhs (March 31, 2018: INR 274 lakhs) which also includes defined contribution to family pension scheme INR 116 lakhs (March 31, 2018: 111 lakhs).

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, 2017	1,316	(1,156)	160
Current service cost	102	-	102
Interest expense/(income)	99	(88)	11
Total amount recognised in profit or loss	201	(88)	113
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(2)	(2)
(Gain)/loss from change in financial assumptions	(20)	-	(20)
Experience (gains)/losses (experience adjustment)	69	-	69
Total amount recognised in other comprehensive income	49	(2)	47
Employer contributions	-	(118)	(118)
Benefit payments	(127)	127	-
March 31, 2018	1,439	(1,237)	202
April 1, 2018	1,439	(1,237)	202
Current service cost	116	-	116
Interest expense/(income)	111	(96)	15
Total amount recognised in profit or loss	227	(96)	131
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(6)	(6)
(Gain)/loss from change in financial assumptions	11	-	11
Experience (gains)/losses	71	-	71
Total amount recognised in other comprehensive income	82	(6)	76
Employer contributions	-	(275)	(275)
Benefit payments	(114)	114	-
March 31, 2019	1,634	(1,500)	134

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

Balance sheet amounts - Provident fund

	Present value of obligation	Fair value of plan assets	Net Amount
April 1, 2017	4,187	(4,478)	(291)
Current service cost	157	-	157
Interest expense/(income)	316	(316)	-
Total amount recognised in profit or loss	473	(316)	157
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(89)	(89)
(Gain)/loss from change in financial assumptions	(0)	-	(0)
Experience (gains)/losses (experience adjustment)	70	-	70
Total amount recognised in other comprehensive income	70	(89)	(19)
Employer contributions	-	(157)	(157)
Contributions by plan participants/employees	438	(438)	-
Benefits paid	(387)	387	-
Settlements/transfer in	10	(10)	-
March 31, 2018 *	4,791	(5,101)	(310)
April 1, 2018	4,791	(5,101)	(310)
Current service cost	176	-	176
Interest expense/(income)	369	(369)	-
Total amount recognised in profit or loss	545	(369)	176
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(71)	(71)
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses	64	-	64
Total amount recognised in other comprehensive income	64	(71)	(7)
Employer contributions	-	(176)	(176)
Contributions by plan participants/employees	490	(490)	-
Benefit payments	(357)	357	-
Settlements/transfer in	20	(20)	-
March 31, 2019	5,553	(5,870)	(317)

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

The net liability disclosed above relates to funded and unfunded plan is as follows:

	Gratuity		Provident fund	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Present value of funded obligations	1,634	1,439	5,553	4,791
Fair value of plan assets	(1,500)	(1,237)	(5,870)	(5,101)
Deficit/(surplus) of funded plan	134	202	(317)	(310)
Unfunded plans	-	-	-	-
Deficit/(surplus) of gratuity plan and provident fund*	134	202	(317)	(310)

*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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount rate	7.62%	7.71%	7.62%	7.71%
Salary growth rate	8.00%	8.00%	-	-
Expected statutory interest rate on the ledger balance	-	-	8.65%	8.55%
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 (2006-08)	100% of IALM (2006-08)	100% of IALM (2006-08)	100% of IALM (2006-08)
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%

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

(v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the principal assumptions is:

(i) Changes in defined benefit obligation of Gratuity plan due to change in discount rate

	March 31, 2019	March 31, 2018
a) Defined benefit obligation	1,634	1,439
b) Impact on defined benefit obligation at 0.5% increase in discount rate	(64)	(56)
c) Impact on defined benefit obligation at 0.5% decrease in discount rate	70	61

(ii) Changes in defined benefit obligation of Gratuity plan due to change in salary growth rate

	March 31, 2019	March 31, 2018
a) Defined benefit obligation	1,634	1,439
b) Impact on defined benefit obligation at 0.5% increase in salary growth rate	69	60
c) Impact on defined benefit obligation at 0.5% decrease in salary growth rate	(65)	(56)

(iii) Changes in defined benefit obligation of Provident Fund plan due to change in discount rate

	March 31, 2019	March 31, 2018
a) Defined benefit obligation	5,553	4,791
b) Impact on defined benefit obligation at 0.5% increase in discount rate	(1)	(1)
c) Impact on defined benefit obligation at 0.5% decrease in discount rate	1	1

(iv) 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 recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(v) The major categories of plan assets are as follows:

Gratuity

	March 31, 2019		March 31, 2018	
	Unquoted	in %	Unquoted	in %
Investment funds				
Funds managed by insurer	1,500	100%	1,237	100%
Total	1,500	100%	1,237	100%

Provident fund

	March 31, 2019		March 31, 2018	
	Unquoted	in %	Unquoted	in %
Investment funds				
Government securities	2,935	50%	2,551	50%
Public sector unit bonds	2,642	45%	2,295	45%
Mutual funds	293	5%	255	5%
Total	5,870	100%	5,101	100%

(vi) 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.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

(vii) Defined benefit liability and employer contributions

Expected contribution to post-employment benefit plan for the year ended March 31, 2020 is INR 133 lakhs.

The weighted average duration of the defined benefit obligation of Gratuity plan as at March 31, 2019 is 16.73 years (March 31, 2018: 17.09 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, 2019					
Defined benefit obligation	201	30	173	1,230	1,634
Total	201	30	173	1,230	1,634
March 31, 2018					
Defined benefit obligation	128	24	72	1,215	1,439
Total	128	24	72	1,215	1,439

Note 26: Fair value measurements Financial instruments by category

	Notes	March 31, 2019	March 31, 2018
		Amortised cost	Amortised cost
Financial assets			
Trade receivables	5(a)	6,369	6,360
Loans & Security Deposits	5(d)	16,152	161
Cash and cash equivalents	5(b)	1,796	2,116
Other bank balances	5(c)	4,300	17,067
Long-term deposits with banks with remaining maturity period more than 12 months	5(e)	1,106	3,052
Interest accrued on bank deposits	5(e)	373	678
Total financial assets		30,096	29,434
Financial liabilities			
Trade payables	12(a)	8,314	7,607
Security deposits	12(b)	203	199
Interest accrued and due on security deposits	12(b)	11	11
Unpaid dividends	12(b)	42	39
Employee benefits payable	12(b)	1,073	886
Other Payables	12(b)	75	63
Capital creditors	12(b)	304	107
Total financial liabilities		10,022	8,912

(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.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(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 their 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.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

(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 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.

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	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 for extension of credit to customers. 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

This loan is considered to be at low credit risk. Management considers the loan to be low credit risk when it has a low risk of default and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term. The loan is with the Company's related entity which is repayable on demand of the Company which mitigates 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.

Notes to the financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

(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 forwarding-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.

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, 2019		
Trade payables	8,314	8,314
Security deposits	203	203
Employee benefits payables	1,073	1,073
Other financial liabilities	432	432
March 31, 2018		
Trade payables	7,607	7,607
Security deposits	199	199
Employee benefits payables	886	886
Other financial liabilities	220	220

(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, 2019					
	USD	JPY	THB	EURO	AUD	CAD
Financial assets						
Trade receivables*	3,042	-	-	-	-	-
Cash balance**	0	-	-	-	-	-
Bank balance in EEFC accounts	611	-	-	-	-	-
Exposure to foreign currency risk (assets)	3,653	-	-	-	-	-
Financial liabilities						
Trade payables***	1,891	540	317	4	-	-
Exposure to foreign currency risk (liabilities)	1,891	540	317	4	-	-

* includes INR 0.43 lakhs (for FC JPY)

**includes INR 0.10 lakhs (for FC THB)

***includes INR 0.10 lakhs (for FC GBP)

Notes forming part of financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	March 31, 2018					
	USD	JPY	THB	EURO	AUD	CAD
Financial assets						
Trade receivables*	3,406	-	-	-	-	-
Cash balance**	0	-	-	-	-	-
Bank balance in EEFC accounts	972	-	-	-	-	-
Exposure to foreign currency risk (assets)	4,378	-	-	-	-	-
Financial liabilities						
Trade payables***	2,283	367	282	4	2	9
Exposure to foreign currency risk (liabilities)	2,283	367	282	4	2	9

* includes INR 0.37 lakhs (for FC JPY)

**includes INR 0.05 lakhs (for FC THB)

***includes INR 0.10 lakhs (for FC GBP)

(b) Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

	Impact on profit before tax	
	March 31, 2019	March 31, 2018
USD sensitivity		
Increase by 5% (March 31, 2018: 5%)*	88.1	104.7
Decrease by 5% (March 31, 2018: 5%)*	(88.1)	(104.7)
JPY sensitivity		
Increase by 5% (March 31, 2018: 5%)*	(27.0)	(18.3)
Decrease by 5% (March 31, 2018: 5%)*	27.0	18.3
THB sensitivity		
Increase by 5% (March 31, 2018: 5%)*	(15.9)	(14.1)
Decrease by 5% (March 31, 2018: 5%)*	15.9	14.1

* 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, 2019	March 31, 2018
(i) Equity shares		
Final dividend for the year ended March 31, 2018 of INR 9.00 (March 31, 2017: INR 7.50) per fully paid share.	913	761
(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 10 (March 31, 2018: INR 9) per fully paid up equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1014	913

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:

Particulars	March 31, 2019	March 31, 2018
India	48,744	45,294
Foreign countries	32,844	32,447
Total	81,588	77,741

Revenue from transactions with external customers amounting to 10% or more of an entity's revenue is INR 22,915 lakhs (March 31, 2018: INR 21,048 lakhs).

The total of non-current assets other than financial assets and deferred tax assets broken down by location of the assets is shown below:

Particulars	March 31, 2019	March 31, 2018
India	14,727	14,179
Foreign countries	-	-
Total	14,727	14,179

Notes forming part of financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

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, 2019	March 31, 2018
Honda Motor Co. Ltd.	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	Honda Philippines Inc.	Philippines
	Honda Del Peru S.A.	Peru
	Honda de Mexico S.A. de C.V.	Mexico
	Honda Australia M. & P.E. Pty. Limited	Australia
	Asian Honda Motor Co. Limited	Thailand
	Honda Trading Corporation	Japan
	Honda Trading Asia Co. Limited	Thailand
	PT. Honda Power Products Indonesia	Indonesia
	Honda Motorcycle and Scooter India Private Limited	India
	Moto Honda da Amazonia Ltd.	Brazil
	Honda Trading (South China) Co. Limited	Hong Kong
	Honda R & D Co. Limited	Japan
	Honda R & D (India) Private Limited	India
	Honda Motor de Argentina S.A.	Argentina
	Shanghai Honda Trading Co. Limited	China
	PT. Honda Trading Indonesia	Indonesia
	Honda Trading Brasil Ltd.	Brasil
	Honda Canada Inc.	Canada
	American Honda Motor Co. Inc.	USA
	Honda Trading De Argentina S.A.	Argentina
	Honda Trading Corporation India Private Limited	India
	Honda Gulf FZE	UAE
	Honda Taiwan Co Ltd	Taiwan
	Thai Honda Manufacturing Co Ltd	Thailand
	Honda Access India Private Limited	India
	Honda Mindong Generator Co. Ltd.	China
	Honda Kaihatsu Co. Ltd.	Japan
	Honda Trading Europe Ltd.	Belgium
	Honda Motor Europe Limited	UK
	Jialing-Honda Motors Co. Ltd.	China
Honda Cars India Limited	India	
Honda Selva Del Peru S.A.	Peru	
Honda Trading Philippines Ecozone Corporation	Philippines	
Honda Trading America Corp.	America	
Honda Motor De Chile S.A.	Chile	
Taiwan Honda Trading Co. Ltd.	Taiwan	
Honda Vietnam Power Products Co. Ltd.	Vietnam	
Rajasthan Prime Steel Processing Center Private Limited	India	
Key management personnel	Mr. Yoshifumi Iida- President and CEO	
	Mr. Hiroyoshi Sugimizu- Senior Vice President and Whole time director	
	Mr. Vinay Mittal- Senior Vice President, Whole time director and CFO	
	Mr. Siddharth Shriram, Chairman	
	Mr. D.V. Kapur, Director (Retired on 31st March 2019)	
	Mr. Ravi V. Gupta, Director (Retired on 31st March 2019)	
	Mr. Manoj Arora, Director	
Ms. Alka M. Bharucha, Director		

Notes forming part of financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

(c) Key management personnel (KMP) compensation*

	March 31, 2019	March 31, 2018
Short-term employee benefits		
Mr Yoshifumi Iida	241	201
Mr Hiroyoshi Sugimizu	211	167
Mr Vinay Mittal	127	110
Sitting fees		
Mr Siddharth Shriram	7	5
Mr D.V. Kapur	9	6
Mr Ravi V. Gupta	6	4
Mr Manoj Arora	7	5
Ms Alka. M. Bharucha	3	3
Short-term employee benefits payables		
Payable to employees	-	10
Other Recoverable from employees	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, 2019	March 31, 2018
Holding Company		
Purchase of goods		
Stock-in-trade	2,130	1,263
Components, raw material, consumables and spares	4,085	3,750
Purchase of capital goods	8	-
Other Expenses		
Technical guidance fee	339	280
Royalty	2,976	2,841
Export commission on sales	2,521	2,498
Sale of products		
Finished goods	507	625
Spares and components	1	-
Dividend paid	609	507
Reimbursement of expenses		
Paid	866	673
Received	46	59

Fellow subsidiaries with whom transaction exceeds 10% of the total class of transaction

Purchase of stock-in-trade		
Asian Honda Motor Co. Limited, Thailand	4,536	3,470

Notes forming part of financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

	March 31, 2019	March 31, 2018
Purchase of components, raw material, consumables and spares		
Asian Honda Motor Co. Limited, Thailand	1,642	2,213
Honda Trading Asia Co. Ltd., Thailand	354	339
Honda Trading Corporation, Japan	680	581
Rajasthan Prime Steel Processing Center Privale Limited, India	458	377
Shanghai Honda Trading Co. Ltd., China	488	436
Honda Trading Corp. India Pvt. Ltd., India	329	5
Others	104	90
Purchase of capital goods		
Honda Trading Corporation, Japan	5	10
Honda Motorcycle and Scooter India Pvt. Ltd., India	5	-
Sale of finished goods		
American Honda Motor Co. Inc, USA	22,915	21,048
Honda Australia M. and P.E. PTY Ltd., Australia	1,638	1,855
Honda Canada Inc., Canada	3,065	2,809
Honda Motor Europe Ltd, United Kingdom	1,786	1,936
Others	1,263	784
Sale of spares and components		
Honda Cars India Ltd., India	359	371
Honda Motorcycle and Scooter India Pvt. Ltd., India	944	-
Others	258	10
Fee for infrastructure support services		
Honda R&D (India) Pvt. Ltd., India	16	16
Support service fees		
Honda Cars India Ltd., India	178	140
Loan to fellow subsidiary		
Honda Cars India Ltd., India**	16,000	-
Interest Income on Loan		
Honda Cars India Ltd., India	195	-
Reimbursement of expenses paid		
American Honda Motor Co. Inc, USA	109	138
Honda Canada Inc., Canada	39	35
Others	98	89
Reimbursement of expenses received		
Honda Cars India Ltd., India	9	12
Honda R&D (India) Pvt. Ltd., India	10	11
Others	2	1

** This is subject to an approval from the shareholders in its ensuing Annual General Meeting.

Notes forming part of financial statements for the year ended March 31, 2019

(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, 2019	March 31, 2018
Holding Company		
Trade Payable	2,264	2,727
Trade Receivable	43	124
Other Recoverable	30	7
Fellow subsidiaries		
Trade Payable		
Asian Honda Motor Co. Ltd., Thailand	500	383
Others	207	198
Trade Receivable		
American Honda Motor Co. Inc, USA	1,995	1,379
Honda Australia M. and P.E. PTY Ltd., Australia	124	385
Honda Canada Inc., Canada	399	558
Honda Motor Europe Ltd, United Kingdom	121	175
Honda Motorcycle and Scooter India Pvt. Ltd., India	192	-
Honda Gulf FZE	124	-
Others	163	265
Loan to fellow subsidiary		
Honda Cars India Limited, India	16,000	-
Interest accrued on loan to fellow subsidiary		
Honda Cars India Limited, India	175	-
Other Recoverable		
American Honda Motor Co. Inc, USA	-	1
Honda R&D (India) Pvt. Limited, India	1	1
Others	2	0
Advance from customers		
Thai Honda Manufacturing Co Ltd	22	-
Others	0	0

There is no impairment allowance recognised 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.

Goods and services were sold to the related parties during the year based on the price lists in force / other appropriate basis, as applicable, and terms that would be available to third parties.

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 had contingent liabilities at the year end in respect of:

	March 31, 2019	March 31, 2018
Claims against the Company not acknowledged as debts		
Income tax matters	7,626	5,893
Excise and customs matters	2,695	2,705
Service tax matters	6	6
Sales tax matters	873	840
Dispute on transfer of lease right of factory land at Rudrapur	-	722
Other matters	11	17

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.

Notes forming part of financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

- (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) During the year, 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 is in the process of evaluating the impact of the recent 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 in relation to 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.

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, 2019	March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment	473	82

(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.
- certain agreements for premises where the lock in period ranges from 6 to 36 months.
- the lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.

b) Rental expense relating to operating lease

	March 31, 2019	March 31, 2018
Minimum lease payments	301	303
	301	303

c) Future minimum lease payments under non-cancellable operating lease are payable as follows:

	March 31, 2019	March 31, 2018
Within one year	15	10
Later than one year but not later than five years	-	23
	15	33

(d) The Company has sub-leased one of its leasehold premises. The sub-lease agreement is cancellable by either party by serving three months notice period. The rent received during the year amounting to INR 8 lakhs (March 31, 2018: INR 8 lakhs) has been netted off with rent expense.

Note 33: Events occurring after the reporting period

- (i) 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 forming part of financial statements for the year ended March 31, 2019

(All amounts in INR lakhs, unless otherwise stated)

Note 34: Earnings per share

	March 31, 2019	March 31, 2018
Net profit attributable to the equity holders of the Company	5,415	6,141
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	53.39	60.54

Note: There are no dilutive instruments

Note 35: Disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006 based on the information

Particulars	March 31, 2019	March 31, 2018
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-Principals	261	103
-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	-	-

Note 36: Exceptional item of INR. 350 lakhs represents the amount paid on account of final settlement in respect of disputed matter related to lease hold land of the company situated at Rudrapur.

Note 37: The previous year figures are regrouped and rearranged to conform to the current period presentation.

For **Price Waterhouse Chartered Accountants LLP**

Firm Registration No. 012754N/ N500016

Chartered Accountants

Abhishek Rara

Partner

Membership No. 077779

Sunita Ganjoo

Company Secretary

For and on behalf of the Board of Directors of

Honda Siel Power Products Limited

Manoj Arora

Director

Alka M. Bharucha

Director

Yoshifumi Iida

President and CEO

H. Sugimizu

Whole time director

Vinay Mittal

Whole time director & CFO

Place: New Delhi

Date: 28th May 2019

Honda Siel Power Products Limited

CIN: L40103DL2004PLC203950

Regd office: 409, Tower B, DLF Commercial Complex, Jasola
New Delhi – 110 025

Form No. MGT-11 Proxy Form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ *Client Id:

*DP ID:

I/We, being the member(s) of shares of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:....., or failing him

2. Name:

Address:

E-mail Id:

Signature:....., or failing him

3. Name:

Address:

E-mail Id:

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th Annual General Meeting of the Company, to be held on Wednesday, 7th day of August, 2019 at 11:00 a.m. at Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2#)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Financial Statements together with the reports of Board of Directors and Auditors thereon			
2	Declaration of dividend on equity shares			
3	Approval for re-appointment of Mr. Yoshifumi Iida, Director, retiring by rotation (DIN 07136925)			
Special Business				
4	Approval for re-appointment of Mr. Manoj Arora as an Independent Director (DIN 00844279)			
5	Eligibility for re-appointment of Ms. Alka Marezbhan Bharucha as an Independent Director (DIN 00114067)			
6	Approval for appointment of Mr. Siddharth Shriram as an Independent Director (DIN 00027750)			
7	Approval for revision in remuneration of Mr. Hiroyoshi Sugimizu, Whole Time Director (DIN 06848213)			
8	Approval for re-appointment and fixing of remuneration of Mr. Hiroyoshi Sugimizu as Whole Time Director of the Company (DIN 06848213)			
9	Approval for revision in remuneration of Mr. Vinay Mittal, Whole Time Director (DIN 05242535)			
10	Approval and ratification of payment of remuneration to the Cost Auditors			
11	Approval/ratification for material related party transactions entered/to be entered from April 01, 2018 to March 31, 2021			

Signed this..... day of..... 2019.

.....
Signature of shareholder
Signature of Proxy holder(s)

Affix
Revenue
Stamp

*Applicable for shareholders holding shares in electronic form

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- 2.# It is optional to put a (✓) in the appropriate column against the resolutions indicated in the Box. If you leave the 'For', 'Against' or 'Abstain' column blank against any or all resolutions. Your proxy will be entitled to vote in the manner as she/he thinks appropriate.

Tear Here

HONDA

Honda Siel Power Products Limited

Regd. 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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Visit us at: www.hondasielpower.com