

Ref: HIPP/SE/2024-25/53

HONDA

August 08, 2024

Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street, Fort,
Mumbai - 400 001

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

Listing Department
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

Scrip Code: NSE : HONDAPOWER
BSE : 522064

Sub: Notice of 39th Annual General Meeting ("AGM") and Annual Report for the Financial Year 2023-2024

Dear Sir/Madam,

Pursuant to the Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Notice of 39th Annual General Meeting and Annual Report of the Company scheduled to be held on Thursday, September 05, 2024, at 12:00 Noon through Video conferencing ("VC")/Other Audio - Visual Means.

The Annual Report for the Financial Year 2023-24 is also available on the website of the Company at www.hondaindiapower.com.

Register of Members and Share Transfer books will remain closed from **Friday, August 30, 2024 to Thursday, September 05, 2024** (both days inclusive) for the purpose of the AGM.

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

Thanking you,

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

Sunita Ganjoo
Company Secretary and Compliance Officer



Encl: as above

HONDA

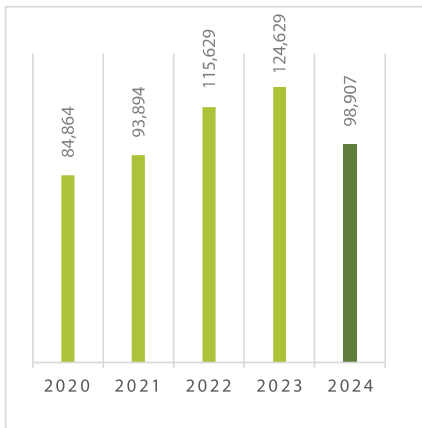
39TH ANNUAL REPORT 2023-2024



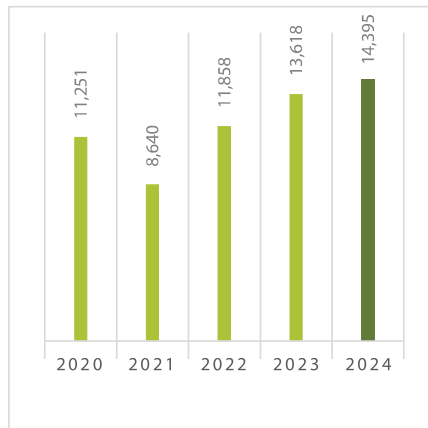
HONDA INDIA POWER PRODUCTS LIMITED

Key Financial Trends

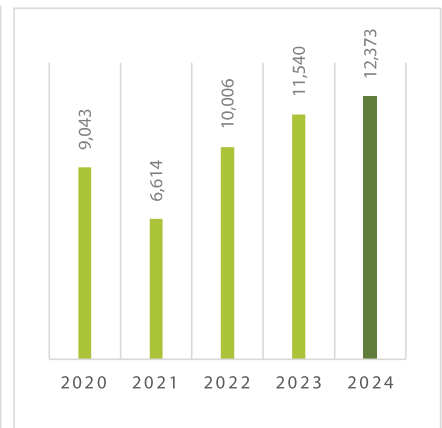
Operating Revenue (Rs lakhs)



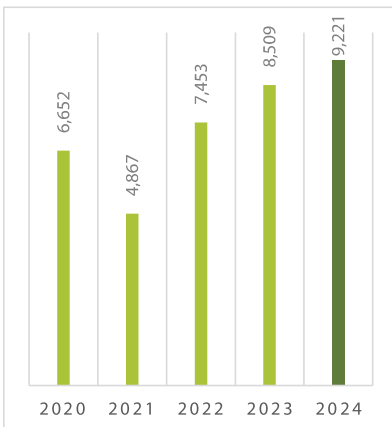
PBDT (Rs lakhs)



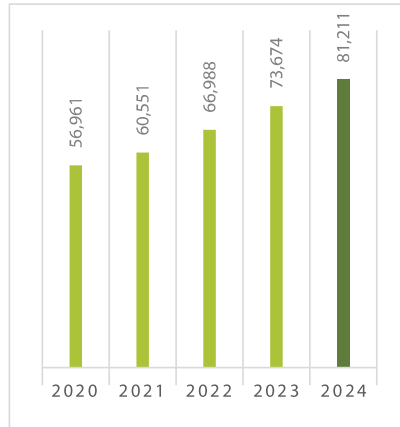
PBT (Rs lakhs)



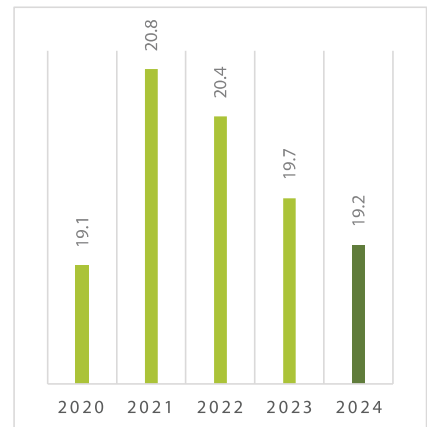
PAT (Rs lakhs)



Networth (Rs lakhs)



Dividend Payout Ratio(%)



Corporate Information**Board of Directors****Mr. Shigeki Iwama**

CMD and President & CEO

Mr. Vinay Mittal

Whole Time Director & CFO

Mr. Akihiro Sakurai

Whole Time Director

Ms. Alka Marezban Bharucha

Independent Director

Mr. Nitin Savara

Independent Director

Mr. Ravi Prakash Mehrotra

Independent Director

Ms. Anuradha Dutt

Independent Director

Ms. Kaori Osakada

Non- Executive Director

Ms. Sunita Ganjoo

Company Secretary & Compliance officer

Statutory Auditors

M/s B S R & Co. LLP (Chartered Accountants)
Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase-II, Gurugram, Haryana - 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 39th Annual General Meeting of Honda India Power Products Limited (the Company) will be held on Thursday, September 05, 2024, at 12:00 noon IST through Video Conferencing /Other Audio-Visual Means (VC/ OAVM), to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at 409, Tower B, DLF Commercial Complex, Jasola, New Delhi-110025.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements including Balance Sheet as at March 31, 2024 and the Statement of Profit and Loss for the year ended on that date along with Directors' and Auditors' Report thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Vinay Mittal (DIN 05242535), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

4. To approve appointment of Mr. Balachandran Dharman (DIN: 01831731) as an Independent Director

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder; and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") (including any statutory modification or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, recommendation of the Nomination & Remuneration Committee and approval of the Board of Directors, Mr. Balachandran Dharman (DIN 01831731), who was appointed as an Additional Director in the capacity of an Independent Director and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act, proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of upto 5 (five) consecutive years with effect from September 15, 2024 and that he shall not be liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are 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."

5. To ratify remuneration of the Cost Auditors

To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to M/s Rakesh Singh & Co., Cost Accountants, having Firm Registration Number 000247, appointed by the Board of Directors on the recommendation of the Audit Committee, as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2025, amounting to Rs. 1,39,000 (Rupees One Lakh Thirty-Nine Thousand only) plus applicable taxes and out of pocket expenses incurred in connection with the audit, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts, deeds, matters and things, necessary and expedient to give effect to the resolution."

6. Approval of Related Party Transaction(s) with Honda Motor Co. Ltd., Japan for the financial year 2025-26.

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Regulation 23(4) and other applicable Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("Act"), if any, the Rules made thereunder (including any other applicable provision(s) or statutory modification(s) or re-enactment thereof for the time being in force) read with the Company's policy on 'Related Party Transactions' and based on the recommendation/approval of the Audit Committee and the Board of Directors, approval of the Members be and is hereby accorded to the Company for entering into Material Related Party Transactions/contracts/arrangements/ agreements, on an arm's length basis and in the ordinary course of business of the Company, with Honda Motor Co. Ltd., Japan (HM), a Related Party within the meaning of Section 2(76) of the Act, and Regulation 2(1)(zb) of the Listing Regulations, as under:

Related Party	Nature of Relation	Type of Transaction	Material terms and particulars	Tenure	Limit (Rs in lakhs)	Value of RPT as % (approx.) of Companies Audited annual turnover for the financial year 2023-24	Justification for the transaction
Honda Motor Co.Ltd., Japan	Holding Company	Royalty	6% on sale price adjusted for other cost as per agreement. Same as last year as per Existing Contract	FY 2025-26	4,000	4.0%	- Royalty is paid under Technical Collaboration Agreement (TCA) with HM Japan for indivisible, non transferable and exclusive right and license to manufacture and sell the products for using the Intellectual Property Rights and the Technical Information - This is computed on proposed sales and same is included in cost for computing Sale price and margin. - There is no change in the rate of royalty from last years.

		Export Commission	8% on FOB value of Export Sale. Same as last year as per existing Contract		2,000	2%	<p>-This is being paid for utilizing Honda's global sales and distribution channel and is the only selling expense incurred for Export Sales.</p> <p>-This forms part of total cost and is recovered in the selling price.</p> <p>-This is on the basis of export sale forecast and there is no change in rates of export commission from last years.</p>
		Technical Guidance Fee	As per Business plan Pricing as per existing terms, Labour cost of Japanese technicians and actual expenses incurred		600	0.6%	<p>-This is an estimate figure on basis of requirement and past history for support service provided by HM Japan, employees for manufacturing process improvement, if required. Amount will be paid as per agreement, on hourly rates on availment of services.</p>
		Purchase of Raw Material, Components, Consumables	Cost Plus basis. Normal margin being kept		2,500	2.5%	<p>-This purchase is for proposed sale and is of critical and proprietary nature and cannot be procured from any other source.</p>
		Purchase of finished goods and spares	Cost Plus basis. Normal margin being kept		3,500	3.5%	<p>-This is for purchase of Honda CBU's for onward proposed sales to Indian market which due to technology and lower volume cannot be manufactured by the Company.</p>
		Purchase of Capital goods	Cost Plus basis. Normal margin being kept		100	0.1%	<p>-These purchase are of service and product manual design by HM Japan and is supplied to all other associated enterprises, on requirement basis.</p>
		Reimbursement received and paid including warranty expenses	Actual basis		1,400	1.4%	<p>These are reimbursement of actual expenses related to warranty, Expat's salary and other expenses. Include recovery of any expenses incurred by the Company on behalf of HM.</p>
		Export Sale of finished goods & spares	Pricing/Terms & Conditions are not more favourable than the sales made to unrelated party		3,500	3.5%	<p>This is estimated sale to HM Japan at cost plus basis.</p>
		Model fee	As per Agreement		140	0.1%	<p>This is for the support provided by HM, Japan for start of mass production for any new model in the company including assessment of market, designing of the product. Any new model will be added to Sales</p>

RESOLVED FURTHER THAT the Board, be and is hereby authorised, to do and perform all such acts, deeds, matters and things, as may be necessary, including finalising the terms and conditions and to take necessary steps as the Board may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board, be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Chief Financial Officer, Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board, or any person so authorized by the Board, in connection with any matter referred to or contemplated in any of the foregoing resolution, be and are hereby approved, ratified and confirmed in all respects.”

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

Sd/-
Sunita Ganjoo
Company Secretary

Place : New Delhi
Date : August 06, 2024

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

NOTES

- The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013, ('the Act') concerning the Special Business in the Notice is annexed hereto and forms part of this Notice.
- None of the Directors, Key Managerial Personnel or their relatives have any concern, financial or otherwise, and does not have any conflict of interest in Item No. 4 to Item No. 6 except as expressed under the respective items in the Explanatory Statement.
- The Ministry of Corporate Affairs (MCA), vide its General Circular No. 20/2020 dated 5th May 2020 read with the subsequent circulars issued from time to time, the latest one being General Circular No. 09/2023 dated 25th September 2023 (MCA Circulars), has allowed the Companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) till 30th September 2024. In compliance with the provisions of the Act, SEBI (LODR) Regulations, 2015 (Listing Regulations) and MCA Circulars, the 39th AGM of the Company shall be conducted through VC/OAVM. National Securities Depository Limited (NSDL) will be providing facilities in respect of:
 - voting through remote e-voting.
 - participation in the AGM through VC/ OAVM facility.
 - e-voting during the AGM.

The procedure for participating in the meeting through VC/OAVM is explained at Note No. 24 below and is also available on the website of the Company at www.hondaindiapower.com.

- Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body resolution/authorization etc., authorizing its representative to attend the AGM through VC/ OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to cs.saryumunjhal@gmail.com with a copy marked to evoting@nsdl.co.in.
- In accordance with the circulars issued by MCA and SEBI, the Notice of the 39th AGM along with the Annual Report for the Financial Year (FY) 2023-24 is being sent by electronic mode to Members whose e-mail ids are registered with the Company or the Depository Participants (DPs).
- Physical copy of the Annual Report for the FY 2023-24 (including the Notice of the 39th AGM) shall be sent only to those Members who specifically request for the same. Accordingly, Members who wish to obtain a physical copy of the Annual Report for the FY 2023-24, may write to the Company at ho.legal@hspp.com.
- If the dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend, subject to deduction of tax at source will be made on Thursday, September 26, 2024, as under:
 - To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on August 29, 2024.
 - To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on August 29, 2024.
- Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect

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

The Company has already transferred unclaimed dividends up to the financial year 1994-95 to the General Revenue Account of the Central Government, and for the financial years 1995-96 to 2015-16 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
2016-17	04.08.2017	03.09.2024
2017-18	13.08.2018	12.09.2025
2018-19	07.08.2019	06.09.2026
2019-20	21.09.2020	20.10.2027
2020-21	21.09.2021	20.10.2028
2021-22	26.09.2022	25.10.2029
2022-23	10.08.2023	09.08.2030

In terms of provisions of Section 124(6) of the 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 last seven years i.e., from F.Y. 2016-17 shall be transferred by the Company to Investor Education and Protection Fund.

In accordance with the aforesaid IEPF Rules, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and a newspaper advertisement in this regard was also published.

The details of the Shareholders as mentioned above, is also available on the website of the Company at <https://www.hondaindiapower.com/investors/dividend-and-iepf>.





Further, the Company shall not be in a position to entertain the claims of the Shareholders for the unclaimed dividends, which have been transferred to the credit of IEPF. Accordingly, the Shareholders are advised to claim uncashed dividend(s), if any, warrants pertaining to the year 2016-17 upto 2022-23 and send a request in this regard to our Share Transfer Agent before the due dates for transfer to IEPF.

- As per Regulation 40 of SEBI(LODR) Regulations, 2015 as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent, M/s Mas Services Ltd., for assistance in this regard.
- To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs (in case the shares are held by them in electronic form) and with the Company's Registrar and Transfer Agent, M/s Mas Services Ltd. (in case the shares are held by them in physical form).
- Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs (in case the shares are held by them in electronic form) and to the Company's Registrar and Transfer Agent, M/s Mas Services Ltd. (in case the shares are held by them in physical form).

14. 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.
15. Members may note that the Notice of the 39th Annual General Meeting and the Annual Report for the FY 2023-24 will also be available on the Company's website on weblink: <https://www.hondaindiapower.com/investors/Annual%20Report>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NDSL at www.evoting.nsdl.com.
16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. Pursuant to Finance Act 2020, dividend income is taxable in the hands of Shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their PAN with the Company/ Company's RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
18. A Resident individual Shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to investor@masserv.com by 11:59 p.m. IST on August 29, 2024. Shareholders are requested to note that if their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investor@masserv.com. The aforesaid declarations and documents need to be submitted by the Shareholders by 11:59 p.m. IST on August 29, 2024.
19. SEBI has mandated that securities of listed companies can be transferred only in dematerialized form. In view of the above and to avail various benefits of dematerialization, Members are advised to dematerialize shares held by them in physical form, for ease in portfolio management.
20. In accordance with the MCA Circulars, the Company has made necessary arrangements for the Members to register their e-mail address. Therefore, those shareholders who have not yet registered their email addresses are requested to get it registered by following the procedure given below:
- a) Shareholders holding shares in physical form, are requested to register/ update their KYC i.e. email address, bank detail, nomination etc. in form ISR1, ISR2 and SH-13 available on the website of the Company www.hondaindiapower.com and the website of RTA www.masserv.com under download tab) and submit the duly filled in forms with the Company at the following address :
- M/s Mas Services Limited
Unit: Honda India Power Products Limited
T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110 020
Ph:- 011-26387281/82/83
email: - investor@masserv.com
Website: www.masserv.com
- b) Shareholders holding shares in dematerialized form, are requested to register/ update their email addresses with the Depository Participants with whom the demat account is maintained.
21. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
22. Documents referred to in the accompanying Notice are open for inspection on the website and at the Registered Office of the Company during normal business hours (9:00 A.M. to 5:00 P.M.) on any working day, except Saturday, upto the date of AGM of the Company.
23. The Board of Directors of the Company has appointed Ms. Saryu Munjal, Proprietor, M/s Saryu Munjal & Associates, Practicing Company Secretaries as Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner and she has communicated her willingness to be appointed and will be available for the said purpose.
- 24. Instructions for e-voting and joining the AGM are as follows:**
- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the LODR, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the Resolutions set forth in this Notice. The instructions for e-voting are given below.
- ii. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 Members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnels, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- iii. Those Members who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- iv. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- vi. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. August 29, 2024, may obtain the login ID and password by sending a request at ho.legal@hspp.com. However, if he/ she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- vii. THE DETAILS OF THE PROCESS, MANNER FOR REMOTE E-VOTING AND JOINING AGM VIRTUALLY ARE AS UNDER:**
- Please, note that the e-voting period **will commence from Monday, September 02, 2024 (09:00 a.m. IST) and shall end on Wednesday, September 04, 2024 (05:00 p.m. IST)**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., August 29, 2024, may cast their vote electronically.
- The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:
- Step 1: Access to NSDL e-Voting system**
- A) Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode**
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID

in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> Existing IDEAS user can visit the e-Services website of NSDL Viz. https://eservices.nsd.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDEAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If you are not registered for IDEAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDEAS Portal” or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience. <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>

Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. The option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. After successful login, the Easi / Easiest user will be able to see the e-Voting option for eligible Companies where the evoting is in progress as per the information provided by Company. By clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. On clicking the e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting.</p>

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

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000 (toll free)
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

- Visit the e-Voting website of NSDL. Open web browser by typing the URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a pdf file. Open the .pdf file. The password to open the pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join the General Meeting on NSDL e-Voting system.

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Select "EVEN" of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
- Now you are ready for e-Voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

- It is strongly recommended, not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 or send a request at evoting@nsdl.com

Process for those shareholders whose email IDs are not registered with the depositories for procuring user id and password and registration of email ids for e-voting for the resolutions set out in this notice:

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA
- In case shares are held in demat mode, please provide DPID-CLID (16-digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA.
- Alternatively, shareholder/Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

- Member will be provided with a facility to attend the AGM through VC/ OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against Company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- Members are encouraged to join the Meeting through Laptops for better experience.
- Further Members will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.
- Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

- Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to the Meeting, mentioning their name, demat account number/folio number, email id, mobile number at ho.legal@hspp.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries 10 days prior to the Meeting their queries along with their name, demat account number/folio number, email id, mobile number at ho.legal@hspp.com. These queries will be replied to by the Company suitably by email.
- Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the Meeting.

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:

ITEM NO. 4

Pursuant to Section 161 of the Companies Act, 2013, the Board at its meeting held on July 24, 2024, appointed Mr. Balachandran Dharman as an Additional Director in the capacity of Independent Director of the Company for a term of five (5) years with effect from September 15, 2024 to September 14, 2029 (both days inclusive), subject to the approval of the shareholders at the ensuing annual general meeting of the Company.

Mr. Dharman has 36 years of experience in FMCG Sector in General Management, Marketing, Strategic tie up's (JV's), channel management & new business development and functions, with demonstrated history. He is currently Independent Director at RRGlobal & Head-Business Development at RRRKabel Ltd.

With a robust skill set that includes Business Planning, Analytical Skills, Market Research, Management, public speaking, Educational and Technical background, the Board is of the opinion that appointment of Mr. Dharman as an Independent Director on the Board of the Company, will be of immense benefit.

The Company has received:

- consent in writing from Mr. Dharman to act as Director in Form DIR 2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 ('Appointment Rules'),
- intimation in Form DIR 8 in terms of the Appointment Rules from Mr. Dharman to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act, and
- a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under LODR Regulations.
- Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/CML/2018/24 dated June 20, 2018, that he has not been debarred from holding office of a director by virtue of any order passed by the Securities and Exchange Board of India or any other such authority.
- A notice in writing by a Member proposing her candidature under Section 160(1) of the Act.

Further, Mr. Dharman has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties as an Independent Director of the Company. Mr. Dharman has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014. Further, Mr. Dharman has confirmed that, he had not been a partner of a firm that had transactions during last three financial years with Honda India Power Products Limited amounting to ten percent or more of its gross turnover.

The Nomination and Remuneration Committee ("NRC") based on the desired attributes for the selection of the Independent Director(s) recommended the candidature of Mr. Dharman as an Independent Director.

The Board noted that Mr. Dharman's skills, background and experience are aligned to the role and capabilities identified by the NRC and that Mr. Dharman fulfils the conditions for independence specified in the Act, the Rules made thereunder and the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company.

The resolution seeks the approval of Members for the appointment of Mr. Dharman as an Independent Director of the Company from September 15, 2024 to September 14, 2029 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and he shall not be liable to retire by rotation.

The terms and conditions of appointment of the Independent Directors are uploaded on the website of the Company <https://www.hondaindiapower.com/investors/Independent%20Directors>.

A copy of the Letter of Appointment of Mr. Dharman as an Independent Director will be available for inspection without any fee for the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturdays.

Requisite information/disclosure including brief profile/experience etc. about the appointee as required under Regulation 36 of the SEBI Listing Regulations read with Secretarial Standard-2 (SS-2) on "General Meetings", issued by the Institute of Company Secretaries of India, are available in the Annexure to the Notice.

Except Mr. Dharman, 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.

The Board recommends the special resolution set forth at item No. 4 of the notice for the approval of the Members.

ITEM NO. 5

Upon recommendation of the Audit Committee, the Board of Directors of the Company in its meeting held on May 20, 2024 has, based upon the eligibility and consent to act as such, re-appointed the Cost Accountants, M/s. Rakesh Singh & Co., as the Cost Auditors for conducting the cost audit of the Company for the financial year ending March 31, 2025 at a remuneration of ₹ 1,39,000/- (Rupees One Lakh thirty nineThousand only) (plus applicable Taxes and reimbursement of out-of-pocket expenses).

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, Members of the Company are required to ratify the remuneration to be paid to the Cost Auditors of the Company.

Accordingly, consent of the Members is sought by way of Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration to be paid to the Cost Auditors for conducting the audit of the cost records of the Company for the financial year ending March 31, 2025.

None of the Directors, Key Managerial Personnel of the Company and their Relatives are, in any way, concerned or interested, financially or otherwise, in the said Resolution.

The Board recommends the Resolution under Item No. 5 of the Notice for approval of the Members as an Ordinary Resolution.

ITEM NO. 6

Context

As per the provisions of Regulation 23(4) of the SEBI (LODR) Regulations, 2015, with effect from 1st April, 2022, related party transactions, if material, require the prior approval of shareholders through a resolution, notwithstanding the fact that the same are on an arm's length basis and in the ordinary course of business.

For this purpose, a Related Party Transaction will be considered 'material' if the transaction(s) to be entered into individually or taken together with

previous transactions during a financial year exceeds ₹1,000 crores or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever is lower.

Once approved by shareholders, the transaction shall also be reviewed/monitored quarterly by the Audit Committee of the Company and shall remain within the proposed limits as placed before the shareholders. Any subsequent 'Material Modification' in the proposed transaction as per the Company's 'Policy on Related Party Transactions', shall be placed before the shareholders for approval, in terms of Regulation 23(4) of the Listing Regulations.

The Company has in place a balanced and structured policy and process for approval of Related Party Transactions (RPT). The details required to be provided to the Audit Committee for the purpose of review of RPT and grant their approval on the proposed transactions alongwith the justification for each and every related party transaction is provided which enables them to arrive at the proper decision. Additionally, an update on the actual related party transactions entered during each quarter is provided to the Audit Committee at its quarterly meetings. The Audit Committee of the Company comprises of majority Independent Directors as Members which helps in providing an objective judgement to all transactions proposed for approval.

Rationale for proposed RPT

In order to sustain quality standards, quantitative benefits and in the best interest of the Company and its Shareholders, material transactions of the Company pertaining to sale, purchase or supply of goods, materials & services with Honda Motor Co. Ltd., Japan have been undertaken since the inception of the Company. The Company proposes entering and/ or continuing with such Material Related Party Transactions/ contracts/ arrangements/ agreements with HM in future as well.

All transactions with HM Japan will continue to be in adherence with arm's length principle as per the Act and SEBI (LODR) Regulations, 2015.

All transactions have been considered at arm's length based on application of transactional net marginal method (TNMM). The transactions related to royalty and export commission have been further corroborated by application of Comparable Uncontrolled Price (CUP).

Transactions of reimbursement received and paid are on actual expense basis

The proposed transactions are in the interest of the business growth, brand usage and technical support and are within the framework of Transfer Pricing guidelines.

The Company periodically gets a study done from outside agency to assess the transactions from arm's length perspective.

The majority of proposed transactions are in the nature of sale of finished products, purchase of finished goods for sale in domestic market, purchase of critical and proprietary parts/components to manufacture finished products, payment of royalty, export commission, model fee, reimbursement received and paid, including warranty expenses, technical guidance fees, etc. related to and necessary for business operations of the Company.

Details of the proposed RPTs between the Company and HM Japan, including the information required to be disclosed in the Explanatory Statement pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021, are as provided in the resolution above.

Pursuant to provisions of Regulation 23 of the SEBI (LODR) Regulations, 2015, all Material Related Party Transactions require approval of the Members through an Ordinary Resolution where none of the Related Parties can vote to approve such transactions whether the entity is a Related Party to the particular transaction or not. Therefore, approval of the Members of the Company is sought through an Ordinary Resolution.

All the relevant information and material facts pertaining to the transaction as stated in item No. 6 above, forms part of this statement.

None of the Directors and/ or Key Managerial Personnel of the Company and/

or their respective relatives are concerned or interested either directly or indirectly, in the Resolutions mentioned at Item No. 6 of the Notice.

The Board recommends the ordinary resolutions set forth in Item no. 6 of the Notice for the approval of the Members.

However, Mr. Shigeki Iwama, Mr. Vinay Mittal, Mr. Akihiro Sakurai and Ms. Kaori Osakada may deem to be concerned/interested in their capacity being nominees of Honda Motor Co. Ltd., Japan.

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

Sd/-
Sunita Ganjoo
Company Secretary

Place : New Delhi
Date : August 06, 2024

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

Details of Directors seeking appointment (Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

Name of the Director	Mr. Vinay Mittal	Mr. Balachandran Dharman
DIN	05242535	01831731
Age/Years	57	62
Date of appointment	01.04.2012	15.09.2024
Date of re-appointment	01.04.2022	-
Brief Resume/ Qualification	<ul style="list-style-type: none"> - Graduate in Commerce from Delhi University - Fellow Member of the ICAI - Alumni of IMD, Switzerland 	<ul style="list-style-type: none"> - Bachelor of Science from Madras University, Tamil Nadu - PGDRM, from IRMA Anand Gujarat - LL.B. from Delhi University
Expertise in specific functional areas	Mr. Mittal has around 33 years of wide and varied experience in the field of Finance & Accounting, Direct & Indirect Tax, Imports, Secretarial and General Management in various industries.	Mr. Dharman has 36 years of experience in FMCG, general management, marketing, Strategic tie up's (JV's), channel management and new business development and a demonstrated history of working in the electrical and electronic manufacturing industry.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL	NIL
Name of other Indian companies in which Directorship held	Honda Power Pack Energy India Pvt. Ltd.	Mew Electricals Limited Ram Ratna Infrastructure Private Limited
Chairman/ Member of Board Committees in Indian Companies	Honda India Power Products Limited <ul style="list-style-type: none"> - Stakeholders Relationship Committee-Member - Corporate Social Responsibility Committee - Member - Board Committee on Financial Matters-Member - Risk Management Committee - Member 	NIL
Shareholding in the Company	NIL	NIL
Remuneration to be paid	Details of remuneration provided in the Resolution	N/A
Remuneration last drawn	Rs. 17.23 Lakh per month (approx.)	N/A
No. of Meetings attended during the year	4 Board Meetings	NIL

Board's Report

To the Members,

The Board of Directors of your Company ("Board") is pleased to present the 39th Annual Report of Honda India Power Products Limited ("The Company") for the financial year ended March 31, 2024.

1. Financial Highlights

(Rs. in Lakhs)

Particulars	Year Ended	
	March 31, 2024	March 31, 2023
Revenue from Operations	98,907	1,24,629
Other Income	4,142	1,917
Profit before depreciation and exceptional items	13,997	15,368
Depreciation	2,022	2,078
Profit before exceptional items and tax	11,975	13,290
Profit before taxes	12,373	11,540
Tax Expenses	3,152	3,031
Profit after Tax	9,221	8,509
Other Comprehensive Income	(10)	(302)
Total Comprehensive Income for the year	9,211	8,207
Balance of profit brought forward	60,177	53,491
Dividend	1,674	1,521
Balance carried to Reserves	67,714	60,177

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

Results of Operations and the state of Company's affairs

Your Company achieved aggregate revenue from operations of ₹ 98,907 Lakhs in 2023-24 (as against ₹ 1,24,629 Lakhs in 2022-23). This marks a reduction of 21% over the previous year. The Profit Before Tax & Exceptional item has reduced up by 10%.

To expand the foothold in emerging markets with latest technological products, the Company has recently launched a new product line of battery-operated handheld power equipment (DCHH). This is in addition to the measures taken to introduce new category of power products under 'HI+' range. The Company holds the strong opinion that this expansion in the product range shall give it an entry to future markets and shall help the Company in a bigger way in the years to come.

Discussion on the performance and state of the Company's affairs has been covered as part of the Management Discussion and Analysis which forms part of this Report and is annexed as **Annexure-A**.

2. Dividend

Your Directors at their meeting held on May 20, 2024 have recommended payment of dividend at the rate of ₹17.50 per equity share of the face value of ₹ 10/- each (175%) for the year ended March 31, 2024. The dividend is subject to the approval of Members at the ensuing 39th Annual General Meeting (AGM) of the Company.

Dividend pay-out shall be in accordance with the Company's Dividend Distribution Policy and deduction of tax at source. Dividend shall be payable to those Shareholders whose names appear in the Register of Members as on the Record Date.

3. Dividend Distribution Policy

Pursuant to the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Dividend Distribution Policy of the Company is available on the Company's website at <https://www.hondaindiapower.com/admin/public/uploads/document/zlB5zhwbQA.pdf>

4. Share capital

During the year under review, there was no change in the share capital of the Company.

5. Depository System

As the members are aware, the Company's shares are compulsorily tradable in electronic form. Pursuant to amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requests for effecting transfer of securities in physical form, shall not be processed by the Company and all requests for transmission, transposition, issue of duplicate share certificate, replacement of securities certificate, endorsement, split of securities certificate and consolidation of securities certificates/folios need to be processed only in dematerialized form.

In view of the numerous advantages offered by the Depository system as well as to avoid frauds, members holding shares in physical form are advised to avail the facility of dematerialization from either of the Depositories.

The Company has availed a special contingency insurance policy towards the risks arising out of the requirements relating to issuance of duplicate securities.

In adherence to SEBI's circular to enhance the due diligence for dematerialization of the physical shares, the Company has provided the static database of the shareholders holding shares in physical form to the depositories which would augment the integrity of its existing systems and enable the depositories to validate any dematerialization request.

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

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and Amendment Rules, 2017 notified by the Ministry of Corporate Affairs, the Company is required to transfer all shares in respect of which dividend has not been paid or claimed by the Members for seven consecutive years or more in the name of Investor Education and Protection Fund (IEPF) demat Account. Adhering to various requirements set out in the Rules, the Company has taken appropriate action for transferring the shares to the Demat Account opened by the IEPF Authority. The Company has also uploaded details of such Members whose shares are transferred to IEPF demat Account on its website at <https://www.hondaindiapower.com/investors/dividend-and-iepf>. The shares transferred to IEPF Suspense Account including all benefits accruing on such shares, if any, can be claimed by the Members from IEPF Authority, after following the procedure prescribed under the Rules.

Dividends which remain unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account are required to be transferred to IEPF established by the Central Government, pursuant to the provisions of Sections 124 and 125 of the Act. The details of unpaid dividend are uploaded on the website of the Company at <https://www.hondaindiapower.com/investors/dividend-and-iepf>. Members who have not claimed their dividend for last seven years are requested to write to the Company's Registrar and Share Transfer Agents and claim their dividends. Year wise details of the unclaimed dividend has been disclosed in the Note No. 10 of the 39th Annual General meeting notice. Members are requested to claim their dividends lying unclaimed with the Company.

7. Environment Protection and Safety

Your Company has a commitment to reduce CO₂ levels by 0.8% by the financial year 2024-25.

The Company has a dedicated full-term Safety & Environmental team to ensure the safety and environmental sustainability in all its operations. This is being done by regularly updating and upgrading the operation standards and environmental management systems to comply with the applicable legal/regulatory obligations. This extends to the Company's major suppliers also.

Your Company further strives to protect and preserve the environment by managing its operations and utilizing the resources using principles of sustainable development. Our products strictly meet the related regulatory and social norms. The health and safety management system of the Company covers all employees at all the locations. The Company has robust, well planned and dependable action plan for mitigation and elimination of any hazard, may it be natural or accidental. The Associates at our plant, Head Office and Branch Offices participate in safety meetings, suggestion schemes etc. to ensure safe and healthy working environment.

8. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information on Conservation of Energy, Technology absorption and Foreign Exchange earnings and outgo pursuant to Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is given in **Annexure - B** to this Report.

9. Occupational health and safety

The Company has a well-defined Health, Safety and Environment (HSE) policy and HSE management system with a robust monitoring plan to ensure the efficiency and effectiveness of the policy. This system is designed according to the 'Plan-Do-Check-Act' cycle of continual improvement. This approach includes the undertaking of assessments of various risks, such as: workplace risks, fire risks, process safety, ergonomics machinery risk, occupational health risks and so on. Periodical audits are being carried out to monitor the Company's HSE performance and compliance as per regulatory requirements.

10. Annual Return

Pursuant to Section 92(3) of the Act, Annual Return for previous Financial Years and draft Annual Return for the Financial Year 2023-24, to be filed with the Registrar of Companies ('ROC'), Ministry of Corporate Affairs, pursuant to Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is available on website of the Company at <https://www.hondaindiapower.com/investors/Annual%20Return>.

11. Details of Board and Committee Meetings

The Directors take active part in the deliberations at the Board and Committee Meetings by providing valuable guidance & advice to the Management on various aspects of business, policy direction, governance, compliance, etc. This way the Board of Directors play a critical role in decision making on strategic issues.

The Board met four times during the year, details of which are given in the Corporate Governance Report that forms part of this Annual Report. The intervening gap between the meetings was within the period prescribed under the Act and the SEBI (LODR) Regulations, 2015 and as per the Circulars issued by the Ministry of Corporate Affairs and SEBI. During the year under review, the Board accepted all the recommendations of the Audit Committee. Details of all the Committees of the Board have been given in the Corporate Governance Report that forms part of this Annual Report.

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

Your Company has a Whistle Blower Policy that provides a formal vigil mechanism for all Stakeholders to report genuine concerns about the unethical behavior, actual or suspected frauds or violation of the Company's Code of Conduct or Ethics Policy. The Policy is in line with the Company's Code of Conduct, Vision and Values and forms part of good Corporate Governance. The said mechanism also provides for escalation of the issues to the Chairman of the Audit Committee in exceptional cases. The policy has in built safeguards against victimization of the whistle blower.

The Whistle Blower Policy has been uploaded on the Company's website at <https://www.hondaindiapower.com/admin/public/uploads/document/fE65sfbg4p.pdf>.

13. Risk Management

Your Company is operating in a dynamic, uncertain and complex environment. To manage the risks during all stages of its operations and with a view to create long-term stakeholders' value, and protect Company's assets, a robust risk management framework, keeping in view the size of the Company has been established. This framework is in compliance with regulations and industry best-practices. The purpose of our risk management framework is to ensure accountability and competence for managing risks across the organization. It also lays down activities for risk identification, monitoring, review, control and risk prioritization, along with development of a risk response plan.

Risk Management Policy of the Company may be accessed at Company's website at <https://www.hondaindiapower.com/admin/public/uploads/document/rghiGWR896.pdf>.

14. Directors' Responsibility Statement

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

- (a) in the preparation of the annual accounts for the year ended March 31,2024 the applicable Accounting Standards have been followed and there are no material departures;
- (b) the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and Profit and Loss of the Company as at March 31,2024;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively; and
- (g) the Company has complied with the Secretarial Standard-1 (Meetings of Board of Directors) and Secretarial Standard-2 (General Meeting) issued and amended, from time to time, by the Institute of Company Secretaries of India.

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

The Company has not made any investments or given loan or provided guarantee/security during the year under review in terms of Section 186 of the Companies Act, 2013.

16. Statutory Compliance

The Company has adequate systems and processes in place to comply with all applicable laws and regulations, pay applicable taxes on time and ensures statutory CSR spend.

17. MSME

The Company has registered itself on Trade Receivables Discounting System platform (TReDS) and complies with the requirement of submitting the required returns within the prescribed timelines.

18. Auditors

i) Statutory Auditors

Pursuant to provisions of Section 139 of the Act and Rules thereunder, M/s.

B S R & Co. LLP, Chartered Accountants, (Firm Registration No. 101248W/W-100022) were appointed as Statutory Auditors of the Company for a term of 5 (five) years to hold office till the conclusion of the 42nd Annual General Meeting of the Company. A certificate from Statutory Auditors has been received to the effect that their appointment as Statutory Auditors of the Company, continues to be according to the terms and conditions prescribed under Section 139 of the Act and Rules framed there under. The Auditors' Report for the financial year 2023-24 does not contain any qualification, reservation or adverse remark. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company during the financial year 2023-24.

ii) Cost Auditors

As per Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules 2014, M/s Rakesh Singh & Co., Cost Accountants, have been re-appointed as Cost Auditors for the financial year 2024-25 to conduct cost audit of the accounts maintained by the Company. under the applicable Cost Audit Rules. The remuneration of Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee. The requisite resolution for ratification of remuneration of Cost Auditors by Members of the Company has been set out in the Notice of ensuing AGM. The Cost Auditors have certified that their appointment is within the limits of Section 141(3)(g) of the Act and that they are not disqualified from appointment within the meaning of the said Act.

iii) Secretarial Auditor and Secretarial Audit Report

Pursuant to Section 204 of the Act, M/s Saryu Munjal & Associates, Company Secretaries, were appointed as Secretarial Auditors of the Company for the financial year 2023-24. The Secretarial Audit Report submitted by them in the prescribed form MR- 3 is attached as **Annexure -C** to this report. There are no qualifications or adverse remarks of the Secretarial Auditors in the Report issued by them for the Financial Year 2023-24 which calls for any explanation from the Board of Directors.

In terms of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended, and the Board of Directors appointed M/s. Saryu Munjal & Associates, Company Secretaries (Registration No.: S2020HR754900) as the Secretarial Auditor of the Company for the financial year ending March 31, 2025. The Company has received its written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder.

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

19. Related Party Transactions

The Company has a process in place to periodically review and monitor Related Party Transactions.

All related party transactions entered during FY 2023-24 were in the ordinary course of business and at arm's length. The Audit Committee has approved the related party transactions for the FY 2023-24 and the estimated related party/material related party transactions for FY 2024-25 & 2025-26.

The Company is seeking approval for certain material related party transactions at the ensuing AGM. Shareholders are requested to refer to the AGM notice for details of the proposed material related party transactions.

Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on the Company's website at <https://www.hondaindiapower.com/admin/public/uploads/document/t398j8kCjn.pdf>.

20. Adequacy of Internal Control over Financial Reporting

The Company has laid down a well-defined internal financial control (IFC) system developed with a view to review and control the adequacy

and effectiveness of management policies, processes and procedures. For the year ended March 31, 2024, the Board is of the opinion that the Company has sound IFC commensurate with the nature and size of business operation and is operating effectively and no material weakness exist. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have material effect on the Company's operations.

IFC are governed by documented policies, guidelines and procedures and further strengthened by an extensive programme of internal audits by third parties, review by management and the Audit Committee.

21. Corporate Social Responsibility initiatives

In line with our core theme and vision to build 'sustainable and inclusive communities' the Company, during the period under review focussed on following two key flagship CSR programs:

- Infrastructure and soft skills development in schools in local area of the Company.
- Overall sustainability and progression in local villages by reviving ponds and developing green zones.

A brief outline of the Corporate Social Responsibility Policy of the Company and the initiatives undertaken on CSR activities during the Financial Year ended March 31, 2024, is given in **Annexure D**, forming part of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Composition of CSR Committee details are given in the Corporate Governance Report that forms part of this Annual Report.

The CSR Policy may be accessed on the Company's website at the link <https://www.hondaindiapower.com/admin/public/uploads/document/FA8tCPYKwf.pdf>.

The Chief Financial Officer of the Company has certified that CSR funds so disbursed for the projects have been utilized for the purposes and in the manner as approved by the Board.

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

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

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

These policies may be accessed on the Company's website at the link <https://www.hondaindiapower.com/admin/public/uploads/document/0sH46gypAl.pdf>.

23. Declaration of Independence

The Independent Directors of your Company have certified their independence to the Board, stating that they meet the criteria for independence as mentioned under Section 149(6) of the Act.

The Board is of the opinion that the Independent Directors of the Company have fulfilled the conditions as specified in SEBI Listing Regulations, are independent of the management, possess requisite qualifications, experience, proficiency and expertise and they hold highest standards of integrity.

The Independent Directors of the Company have registered themselves with the Indian Institute of Corporate Affairs, ('IICA') as required under Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

24. Directors and Key Managerial Personnel (KMP)**i) Cessation of Directors**

1. Mr. Manoj Arora, on account of completion of his tenure, retired as an Independent Director on the Board of the Company with effect from close of business hours on February 29, 2024.
2. Mr. Noboru Sube on successful completion of his assignment in the Company and further to his subsequent re-location to some other country, has resigned from the Board of Directors of the Company with effect from close of business hours on February 29, 2024.

The Board placed on record its appreciation for the assistance and guidance provided by Mr. Manoj Arora and Mr. Noboru Sube during their tenure as the Members of the Board of Director of the Company. Their association was immensely valuable to build and drive resilient growth and performance of the Company.

ii) Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013 and applicable Regulations issued by the SEBI, Mr. Vinay Mittal (DIN 05242535), Whole Time Director of the Company will retire by rotation at the forthcoming AGM and being eligible, offers himself for re- appointment. The Board recommends his re-appointment.

Necessary resolution for the re-appointment of Mr. Mittal and disclosure in terms of the Secretarial Standard 2, the SEBI (LODR) Regulations, 2015, are given in the Notice convening the AGM.

As per the confirmations received from Mr. Mittal, he is not disqualified to be appointed as Director as specified in Section 164(2) (a) and (b) of the Companies Act, 2013.

iii) Appointment of Directors

The Board of Directors on recommendation of the Nomination and Remuneration Committee approved and recommended appointment of following Directors on the Board of the Company :

1. Mr. Nitin Savara (DIN 09398370) as an Independent Director
2. Mr. Akihiro Sakurai (DIN 10570035) as the Whole Time Director

The shareholders of the Company approved the above resolutions on March 31, 2024 and May 22, 2024 respectively.

Voting results of the resolution approved March 31, 2024 are available on the website of the Company.

Where as Results of voting on the resolutions approved on shall be updated on the website of the Company and on the Stock Exchange by May 22, 2024.

iv) Revision in remuneration of Whole Time Directors

The Board of Directors, based on the annual performance evaluation, professional background, experience and over all engagement of Mr. Vinay Mittal with the Company and in line with the Remuneration Policy of the Company and the recommendation made by the Nomination and Remuneration Committee of the Board, reviewed and approved the revision in remuneration of Mr. Mittal (DIN:05242535), Whole Time Director of the Company from April 01, 2024, to March 31, 2025 (both days inclusive).

The said remuneration has been proposed, through postal ballot, to Members on April 23, 2024 for their approval.

Voting results shall be updated on the website of the Company and on the Stock Exchange by May 24, 2024.

25. Board/Directors' Evaluation

In line with the evaluation criteria defined by the Nomination and Remuneration Committee (NRC), the annual performance evaluation of the Board, its Committee and Directors, including Independent

Directors was carried out. All Directors responded through a structured questionnaire giving feedback about the performance of the Board, its Committees, Individual Directors, CMD and President & CEO.

The evaluation process focused on various aspects of the Board and Committees' functioning such as composition of the Board and its Committees, experience and competencies, performance of specific duties, obligations, governance and transparency. A separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution and exercise of independent judgment.

The Independent Directors met on November 10, 2023, to review performance evaluation of Non-Independent Directors and the Board of Directors as a whole and also of the Chairman.

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

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

27. Familiarization program imparted to Independent Directors

The Independent Directors are regularly informed during meetings of the Board and Committees on the business strategy, business activities, manufacturing operations, regulatory changes etc. and opinions and suggestions from the Directors are sought accordingly.

Upon appointment, Independent Directors and Executive Directors are issued letters of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. The induction process for Non-Executive Directors and Independent Directors includes interactive sessions with the management, business and functional heads, visits to plant etc. Details of familiarization program imparted to the Independent Directors are updated at <https://www.hondaindiapower.com/investors/Familiarization%20Programme>.

28. Board diversity

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

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

The Report of the Auditors on the Financial Statements of the Company is part of the Annual Report. The report is not qualified.

30. Other Disclosures:

During the year under review, there were no transaction requiring disclosure or reporting in respect of matters relating to: (a) details relating to deposits covered under Chapter V of the Act; (b) issue of equity shares with differential rights as to dividend, voting or otherwise; (c) issue of shares (including sweat equity shares) to employees of the Company under any scheme; (d) raising of funds through preferential allotment or qualified institutions placement; (e) significant or material order passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future; (f) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016; (g) instance of one-time settlement with any bank or financial institution; (h) buy-back of its own securities and (i) issue of bonus shares .

31. Corporate Governance

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

The Auditor's Certificate certifying the Company's compliance as

stipulated under Schedule V of the SEBI (LODR) Regulations, 2015 is annexed as **Annexure-I** to the Board Report.

32. Business Responsibility and Sustainability Report

The 'Business Responsibility and Sustainability Report' (BRSR) of your Company for the Financial Year ended March 31, 2024, as required under Regulation 34(2)(f) of the SEBI (LODR), Regulations 2015 is annexed at **Annexure - J** and forms part of this Annual Report. Your Company continues to execute strong ESG proposition by working with all relevant stakeholders as well as in its own operations.

33. Sexual Harassment of Women at Workplace

Your Company believes in providing and ensuring a workplace free from discrimination and harassment based on gender.

Your Company has an appropriate policy to prevent sexual harassment at work places and provide clarity around the process. An Internal Committee in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is in place. Regular Training sessions are organized to make associates aware of the policy and to avoid occurrence of such incidences in the Company. During the year there was no complaint of sexual harassment that was reported.

34. a. Code of Conduct and Ethics

The Board of the Company has adopted a Code of Conduct and Ethics for the Directors and Senior Executives of the Company. The object of the Code is to conduct the Company's business ethically with responsibility, integrity, fairness & transparency. The framework sets out a guiding policy for concerned person's conduct in dealing with/ for the Company, fellow Directors and Employees. This Code is available on the Company's website and can be accessed by link: <https://www.hondaindiapower.com/admin/public/uploads/document/852tcj8g4n.pdf>. A declaration signed by CMD and President & CEO of the Company with regard to the compliance with the Code by the Members of the Board and Senior Executives is annexed as **Annexure-G** and forms part hereof.

b. Code of Conduct on Insider Trading

The Company has a comprehensive Code of Conduct in compliance with the SEBI Regulations on the 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-compliance.

The Company periodically organizes training sessions for its employees on dealing with Compliance insider trading laws.

35. Respecting Human Rights

The Company has adopted a Human Rights Policy backed by the Code of Conduct, diversity policy and various other policies. The Company promotes respect for Human Rights through these policies and their adaptability in day-to-day operations. The Company has also in place a structured investigation process overseen by the Business Ethics Proposal Line (BEPL) and Business Ethics Committee.

36. Secretarial Standards

During the Financial Year, your Company has complied with the mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

37. Proceedings under the Insolvency and Bankruptcy Code, 2016 (31 of 2016)

During the financial year, 2023-24 neither any application nor any proceeding is initiated against the Company under the Insolvency and Bankruptcy Code, 2016.

38. Compliance Management

Your Company is a fully compliant organization. To continually ensure this, a Compliance Management System comprising of early warnings and escalation matrix is being used to track compliances with the applicable laws and regulations. A Report on compliances with the applicable laws/rules/regulations is submitted to the Board on a quarterly basis.

39. Particulars of Employees

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

40. Material changes and commitments affecting the financial position of the Company after March 31, 2024

There were no material changes and commitments affecting the financial position of the Company after March 31, 2024.

Acknowledgements

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

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

**Sd/-
Shigeki Iwama
CMD and President & CEO
(DIN 10075458)**

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

- India today is the 5th largest economy in the world and is striving to become 3rd largest economy by 2027. Government's initiative to digitalize the economy and create a world class infrastructure to support the fastest growing economy in the world has driven the need for uninterrupted power for all segments in the society. While power outages related to weather disturbances continued to fuel the demand for generators for backup power, usage of portable generators for primary applications like mobile care vans, OB vans and drone charging in the agricultural fields used for Pesticide spraying is on the increasing in line with Government's vision to "Double farmer's incomes by 2030" by increasing mechanization to drive efficiency in production. As a result of these factoring generator sales could increase over last year.

Corporate and Institutional demand was up in the year due to enhanced spending on infrastructure and agriculture spraying.

Opportunities

- Demand for portable generators for applications like Drone charging, camping for leisure and recreational purposes besides weather related disturbances is expected and will help your company to maintain its dominant position in the portable generator category and continue to offer optimal power solutions to a diverse group of customers across India.
- Economic activities and operations, especially in small and medium size businesses, with expected portable power back up, demand is on the growth path.
- The Company's promotions focus mainly on urban, semi-urban & rural markets to leverage pent up lifestyle / comfort requirements by consumers is expected to help in the Company penetrate in fuel efficient and reliable offerings.

Concerns

- Peak power deficit continues to be within acceptable levels, primarily due to adequate power generation. Interim demand for our products in urban areas driven by long-haul power cuts has thus been on reducing trend.
- Consumer spending is low due to high CPI inflation and higher interest rates.

Outlook

- Normal portable power back up demand and use of generators for new applications will help your Company to maintain its leadership position in the generator category.

GENERAL PURPOSE ENGINES AND WATER PUMPING SETS

- Unseasonal and uneven stretches of monsoon led to a rise in Water Pump sales in the financial year 2023-24, especially in eastern, central, and southern markets. State and Central Government's ongoing support programs towards farming and fisheries sectors were within acceptable levels but the overall process was slow with respect to release of funds by the Government.
- Two new water pump models launched in previous financial year, helped the Company to strengthen its market leadership position with the existing setup of 1.5 inch & 2-inch water pumps.
- 2-inch water pump sales in the financial year crossed a milestone of 50K+ units which has helped the Company to maintain its leadership position in water pump segment.
- Construction segment mechanization, primarily towards small, portable, and compact machines was good due to focus on overall infrastructure growth.
- In the month of March 2024, your Company launched concrete vibrator for the construction industry thereby providing a standardized solution for a critical construction process. The Company is making efforts to increase its footprint in the construction segment by introducing more of such engine driven applications based on its success in other global markets and improve the efficiency and speed of construction in line with Government's direction to create a world class infrastructure to maintain the momentum of fastest growing economy in the world.

- The Company's targeted reach in coastal areas and waterways, by expanding engine driven long tail boat application for small and medium sized boats navigating the inland waterways and offshore fishing besides power winch application for retraction of the fishing nets, helped to accelerate shift from manual to mechanized process.
- Company focused on introduction of dual fuel (Petrol & CNG) engine for conversion of polluting diesel engines to environment friendly CNG fuel powered engines for boat application in the holy city of Varanasi to support Government's pilot project to clean Ganga River and will continue to work in this direction to expand the scope of this application in other parts of the country and contribute towards sustainable development of the inland waterways.
- The Government's planned investment in irrigation projects is expected to help fuel-based engine demand. Continued supply chain requirements towards agriculture produce / products ensured demand and need for farm operation products and services. Company's demonstration activities, supported through vans and manpower deployment, for new products recently launched in the agricultural markets are well received and is helping the farmers to reap the benefits of portable and cost effective solutions for their timely land preparation, weeding and irrigation needs.

Opportunities

- Increasing investments in infrastructure was one of the key factors bolstering the growth of the construction market in India.
- Harnessing available surface water for irrigation of agricultural crops will continue to drive demand for portable water pumps in the agricultural segment.
- Construction mechanization, through portable engines run applications and farm mechanization products such as engines, water pumps, brush cutters, power tillers and crop harvesters will accelerate shift to mechanization with decreasing farm labour and will fuel the demand of portable machinery. Expected continuity in Government support will provide much needed support for our product portfolio and offerings.
- Growing awareness to address environmental concerns brings in demand for more fuel-efficient 4 stroke engine powered applications.

Concerns

- Subsidy policy by the State and Central Government and its operational complexities is a point of concern leading towards delay in purchase by end customers. Your Company endeavors to closely engage with various stake holders in Government through its field teams to have a much deeper understanding of the process and contribute towards acceleration of the implementation of Government schemes to help farmers in their buying decision to acquire portable farm solutions for their various agricultural processes.

Outlook

The infrastructure sector in India is expected to generate better momentum in the next few years due to increased investment in infrastructure such as national highway facilities, warehousing, airports and urban/rural housing projects.

The Company is pursuing to develop multi-channel structure in the country across various segments to develop application related products and equipment. Tying up with small, medium and specialized partners and OEM's is expected to build much-needed ecosystem of cost competitiveness and application specific product, sales and services.

BRUSH CUTTERS

- Honda's range of fuel efficient and reliable 4 stroke Brush cutters are specifically suited for optimal solution for various farm activities like weeding and crop harvesting.

The Company maintained its leadership position in 4stroke Brush cutter segment with major stronghold in North & South India markets.

- Our complete portfolio of fixed shaft, flexible shaft and high-powered variants provide matched solutions to the needs of professional users.

Concerns

- Subsidy policy by the state and Union Government and its operational complexities is leading to delay in purchase by the end customers.
- Influx of low cost imported brush cutters mainly from China has destabilized the pricing in the market. As Company, we would again try to explain about our 4 stroke advantage, delivering unmatched savings from total cost of operation point of view besides highlighting the product quality aspects through a proactive marketing campaign in focus markets, that will support us to stabilize the market price & maintain leader position.

TILLERS

- The Company's focus towards agriculture mechanization was strongly led with its expanding line-up of Power Tillers.
- The financial year 2023-24 was very challenging for the overall tiller market due to delay in implementation of various subsidy schemes of Central & State Governments due to complex disbursal process leading to lower end customer purchase. End customers with-held their purchases in anticipation of scheme release in season time which got delayed.

EXPORT BUSINESS

- Overall Export Business was 99% of the plan .
- Engine-OEM application business from North America was 100% and as per plan and 4% over last year.
- Generator business from USA, Europe & Canada was major business driver amongst genset-category. Genset business from Europe, South America, Africa, and Japan has also grown over last year.
- The Company introduced 2-3KVA genset model in Nepal and Sri Lanka.
- Water Pump and Tiller are still in introductory stage in Asia Oceania Region.

Concerns

- Political uncertainty in certain countries may affect export business.
- Stricter CARB/EPA /CPSC regulations are impacting the prospect sales.
- Competing with global supply chains and various accessibility routes, especially in new and emerging markets continues to place price competitiveness a major driver and challenge for success.
- Overall reduction in demand in US market for Engine based products like High Pressure Washer may affect the demand of engines being exported by the Company.

Outlook

- Company is engaging with channel partners to develop and nurture the gasoline fueled Tillers, Engines and Water Pumps.

INTERNAL CONTROL SYSTEM

Your Company remains committed to continually improve the effectiveness of internal control systems for business processes and has adequate internal controls in place, in line with the size and operation of the Company, designed and developed to safeguard its assets from unauthorized use or losses, conduct its business operations efficiently in line with company's policies, maintain accuracy, completeness & reliability of the financial and accounting records and compliance with laws and regulations.

The Company oversees the efficacy and functioning of its internal financial controls through periodic internal audits and multiple checks and balances for expenditures and budgetary controls.

FINANCIAL PERFORMANCE

Profit before Tax and Exceptional Items for the year was Rs. 11,975 Lakh as against Rs. 13,290 Lakh in 2022-23.

Key Financial Ratios of the Company which has significant change (i.e., more than 25% change) compared to last year are as follows:

	FY 2023-24	FY 2022-23	Reason for change
Net Profit Margin (%)	9.32	6.83	The increase in net profit margin is due to increase in other income.

The return on net worth during the financial year 2023-24 was 11.91% as compared to 12.10% in the financial year 2022-23.

For a detailed explanation of above change please refer to Note 34 of notes to Financial Statement.

HUMAN RESOURCES

Our Company, for more than 38 years, is focussed towards realizing individuals' aspirations while simultaneously broadening and intensifying our commitment to fostering greater positive impact. The business landscape around the world is constantly evolving. Organizations have become more responsive to change - be it climatic, political or economic. Your company remains equitable by its strategic emphasis on Environmental, Social, and Governance (ESG) considerations by promoting responsible manufacturing practices, and conducting conscientiousness business operations meticulously integrated with sustained and targeted initiatives.

Your Company is powered by people. We constantly strive to stimulate and harness a critical competitive edge. Nurturing talent for the future is essential for our continued success. We create ample opportunities for our people to learn and grow in their careers by consistent investment to unlock the leadership potential and help drive excellence at the company. With the objective of capability building, developing a future ready workforce, and fostering togetherness at the workplace, your Company implements multiple training and engagement programs on an ongoing basis.

Our employees are our brand ambassadors of our culture and values. The vigour, dynamism, energy and ideas brought in by our employees every day delivers not only, service excellence, but also play a significant role in fulfilling our organizations aspirations. In turn, we engage with our employees, by focus on their health & safety, celebrate innovation and out-of-the-box thinking and reward our employees for their performance.

The recent implementation of SAP online system has reaped better results in terms of employee experience and overall management of the process. This year further enhancement has been made by introducing online compensation statements for all employees. This enhancement has made our appraisal process completely paperless.

The industrial relations scenario continued to be largely positive across the Organization. The sustained efforts towards building a congenial work culture resulted in zero production loss in the Financial Year 2023-24 and helped create a collaborative, healthy and productive work environment.

The Company is an equal opportunity provider with a strong focus on fostering Diversity and Inclusion (D&I) at the workplace. There is no unfair treatment concerning employment, for reasons of gender or disability with a focus to constantly strive for improved gender diversity. Your Company promotes a collaborative, transparent and participative culture with a stronger focus on well-being, which has consistently helped your Company build trust and harmony. Our CSR approach is to bring sustainable and inclusive change in society, through our various long-term social initiatives, positively impacting child education & environment.

The Company as on March 31, 2024, had 742 associates.

INFORMATION TECHNOLOGY

Your Company is comprehensively embracing information technology to leverage its potential and sail through the changes. Business operations continuity being the utmost priority is focused through synergetic initiatives towards internal as well as external multi-level security through data encryption. Our robust IT management system minimizes threats and prevents attacks, through a continuous cycle of vulnerability assessment and remediation, During the Financial Year 2023-24 the Company did not face any cyber threats or data, breaches to safeguard our data and brand reputation.

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, labor relations and interest costs.

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

(a) Conservation of energy

(i)	The steps taken for impact on conservation of energy	Following energy conservation measures were taken to reduce the energy consumption: <ol style="list-style-type: none"> 1. Installation of energy efficient pumps in pre-treatment line in Paint Shop resulting in saving of 15,083 KWh per year. 2. In CNC machine, by modification resulting in reduction of compressed air consumption by 30,000 KWh per year. 3. Reduction in energy consumption by providing the insulation on heated barrel of Injection Moulding machine. This resulted in saving of 4,066 KWh per year. 4. Installation of energy efficient pump in ETP resulted in saving of 2,183 KWh per year. 5. Power saving circuit in Thread Rolling machine resulted in saving of 2,896 KWh per year.
(ii)	The steps taken by the Company for utilizing alternate sources of energy	Successfully completed the feasibility study of Solar Power Plant of 300 KW capacity in the year 2023-2024. The project implementation will start from Q4 of FY 2026-2027.
(iii)	The capital investment on energy conservation equipment	Following capital investments were made for energy conservation equipments: Rs. 9.5 Lakh: Procurement of energy efficient pumps for Paint shop Pre-treatment line. Rs. 1.43 Lakh: Procurement of energy efficient motor for Paint shop (ASU & booth exhaust)

B. Technology Absorption

i)	The effort made towards technology absorption	<ol style="list-style-type: none"> 1. Upgradation of technical knowledge of associates by using technical expertise of Honda Motors Co. Ltd. Japan, by way of on the job training and guidance to the Company’s engineers and technicians. 2. For development of the new technology model and to improve the manufacturing quality of in-plant / out plant parts, new manufacturing facility has been added in the following areas: <ol style="list-style-type: none"> a. Adoption of global concept for domestic Engines & Gensets with E10 and subsequently rollout plan for E20 Gasoline. b. Increasing the process efficiency by adopting Global Honda Standards. c. Upgrading existing Generator models to continuously meet the Regulations of advance countries such as: - <ul style="list-style-type: none"> • EPA/ CARB /CPSC regulation for the USA Market. • ANSI /PGMA G300 Regulation for the USA Market. • GOST-R compliant for the Russia Market. • UKCA compliant for Europe Market. d. GX200 Engine with RPM reduction with high torque is introduced. e. Developing new pump with high discharge performance and usability.
ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	The benefits derived related to: <ol style="list-style-type: none"> a. Meeting customer as well as regulatory requirement in all product ranges like Engine and Generator. b. Producing environment friendly product by managing hazardous substance. c. Cost reduction through import substitution. d. Enhancement of the sales feature of the products. e. Packing parts and its concept optimization leads to cost reduction
iii)	In case of imported technology	Following information is furnished in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
	a) The details of technology imported	For Manufacturing/ testing of Power Products.
	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, 2027.
	c) Whether the technology been fully absorbed	No, this is a continuous process.
	d) If not fully absorbed, area where absorption hasnot 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- Increase the efficiency of parts by Value Engineering. - For Generator – Fuel Injection system, Inverter and GCU technology. - To increase the value of the product, Bluetooth and CO sensor enabled product development for US. - For Water Pump- high performance self-priming pumps for Indian farmers. - Adopting the technology for electrified power unit products into the operations
iv)	The expenditure incurred on Research and Development	NIL

(C) Foreign Exchange Earning and Outgo

During the year the total foreign exchange used was Rs. 22,783 lakh and the total foreign exchange earned was Rs. 37,545 lakhs.

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

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

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

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

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 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 (Not applicable to the Company with respect to the Overseas Direct Investment and External Commercial Borrowings for the Audit Period under review);
- (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 (Not applicable to the Company for the Audit Period under review);
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company for the Audit Period under review);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company for the Audit Period under review);
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with the client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company for the Audit Period under review);

- h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; (Not applicable to the Company for the Audit Period under review);
- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.; and
- j. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, during the period under review, the Company has complied with following Acts, Laws and Regulations applicable specifically to the Company to its applicable extent: -

1. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, bonus, provident fund, ESIC, compensation etc.;
2. Acts prescribed under Environmental Protection laws, by-laws and rules made thereunder;
3. The Explosives Act, 1884 and Rules made thereunder;
4. The Boilers Act, 1923 and Rules made thereunder;
5. The Petroleum Act, 1934 and Rules made thereunder;

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

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

Based on the information received and records maintained, **I further report that:**

- i. the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii. 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.
- iii. Majority decisions of the Board were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors. Decisions carried through by the Board do not have any dissenting views and hence no relevant recordings were made in the minute's book maintained for the purpose.

I further report that as per the explanations given to me and the representations made by the Management and relied upon by me, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations, Circulars and Guidelines framed thereunder. Also, in regard to the Corporate Governance, the company has complied with the conditions of corporate governance as mentioned in Regulation 17, 18, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V and of the SEBI Listing Regulations.

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

(i) Change in Management

- Mr. Noboru Sube (DIN 09269643) ceased to be the Whole Time Director of the Company pursuant to his relocation to some other assignment outside India with effect from close of working hours of March 31, 2024. The Company has duly filed necessary intimations in this regard with the Stock Exchanges and the Registrar of Companies.
- Mr. Manoj Arora (DIN 00844279) ceased to be the Independent Director of the Company pursuant to completion of his tenure in the Company with effect from close of working hours of February 29, 2024.
- Mr. Nitin Savara (DIN 09398370) was appointed as the Independent Director (Non- Executive / Independent) of the Company, effective March 01, 2024, by way of Postal Ballot dated March 31, 2024. The Company has duly filed necessary intimations in this regard with the Stock Exchanges and the Registrar of Companies.

(ii) Postal Ballot

During the period under review, the Company has passed the following resolutions by way of postal ballot through e-voting on:

May 14, 2023:

1. Appointment of Mr. Shigeki Iwama (DIN 10075458) as a Director of the Company.
2. Appointment and payment of remuneration to Mr. Shigeki Iwama (DIN 10075458) as CMD and President & CEO of the Company.
3. Appointment of Ms. Kaori Osakada (DIN 10077646) as Non-Executive (Non-Independent) Director of the Company
4. Appointment of Ms. Anuradha Dutt (DIN 00145124) as an Independent Director of the Company
5. Revision in remuneration of Mr. Vinay Mittal, Whole Time Director (DIN 05242535) of the Company

March 31, 2024

1. Appointment of Mr. Nitin Savara (DIN: 09398370) as an Independent Director

The Company has complied with all the provisions related to aforementioned postal ballot and necessary submissions were made by the Company in this regard to the Stock Exchanges and Registrar of Companies on time.

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

Sd/-

**Saryu Munjal
Proprietor**

**M. No. A34161; C.P. No.: 23014
UDIN: A034161F000381882
Peer Review No.: 5633/2024**

Date: May 16, 2024

Place: Karnal

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

Annexure – A

(My Report of even date is to be read along with this letter)

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

1. My 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. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of the events etc.
5. Compliance with respect to the filings of various Reports, Returns, Forms, Certificates and Documents under the various statutes as mentioned in my Report is the responsibility of the Management of the Company. My examination was limited to checking the execution and timeliness of filing and I have not verified the contents of such Reports, Returns, Forms, Certificates etc.
6. The 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 Saryu Munjal & Associates,
Company Secretaries**

Sd/-

**Saryu Munjal
Proprietor**

**M. No. A34161; C.P. No.: 23014
UDIN: A034161F000381882
Peer Review No.: 5633/2024**

Date: May 16, 2024

Place: Karnal

ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

1. Brief outline on CSR Policy of the Company:

The Company strives to be a socially responsible Company and strongly believes in development which is beneficial for the society at large. It is the Company’s intent to make a positive contribution to the society in which the Company lives and operates. Company has duly adopted CSR Policy in compliance with the Section 135 read with the Rules and Schedule VII of the Companies Act, 2013. The Company’s CSR activities are aimed at demonstrating care for the community through its focus on education, skill development and support to the disadvantaged and marginalized cross section of the society.

Objectives: Our broad objectives, as stated in our CSR Policy, include:

- To operate the Company’s business in an economically, socially & environmentally sustainable manner.
- To contribute to society at large by way of imparting education, training and development and skill enhancement programs for their development and generation of income.
- To ensure that CSR funds are allocated and utilized in a planned manner, so as to derive sustainable long-term benefits to the Community at large.

Focus areas: Your Company continued to focus its CSR initiatives primarily in the Pond revival and green zone development for overall sustainability and progression in local villages of Greater Noida. Besides this, Company continued to execute its previous ongoing project, as mentioned below:

- Upgrading the Government schools’ basic infrastructure along with education standard by developing / building classrooms, washrooms, Clean/ purified Drinking water facilities, Power Backup connection, Library, Solar Panel, Pathway, Computer Labs, Office furniture, Hostel Building renovation and Renovation/upliftment at identified locations.
- 360-degree support in training teachers, students, construction of classrooms, building, labs & providing furniture etc.:

2. Composition of CSR Committee:

S. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year		Number of meetings of CSR Committee attended during the year
			Date	No.	
1.	Mr. Shigeki Iwama	Chairman	1	Feb 12, 2024	1
2.	Mr. Ravi Prakash Mehrotra	Member			1
3.	Mr. Vinay Mittal	Member			1

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

The details related to CSR Policy and the approved projects there under are available at <https://www.hondaindiapower.com/admin/public/uploads/document/FA8tCPYKwf.pdf> and <https://www.hondaindiapower.com/investors/Details-of-CSR-Projects> respectively. The current composition of CSR Committee is available at <https://www.hondaindiapower.com/admin/public/uploads/document/jSq80m9k30.pdf>

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

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

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

The total amount available for set off pursuant to said rule was NIL.

- | | |
|---|----------------|
| 6. Average Net Profit of the Company as per Section 135(5): | Rs. 10369 Lakh |
| 7. (a). Two percent of average Net Profit of the Company as per Section 135(5): | Rs. 207 Lakh |
| (b). Surplus arising out of the CSR Projects or Programs or activities of the previous Financial Years: | NIL |
| (c). Amount required to be set off for the Financial Year: | NIL |
| (d). Total CSR obligation for the Financial Year (7a+7b-7c): | Rs. 210 Lakh |

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

Total Amount Spent for the Financial Year. (in `):	Amount Unspent (in Rs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
32500	209.67 Lakh	30-04-2024	N.A.	NIL	N.A.

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

(in Lakhs)

(1) S. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project.		(6) Project Duration	(7) Amount allocated for the project (in lakh)	(8) Amount spent in the current Financial Year for the project (in `)	(9) Amount Transferred to Unspent CSR Account for the Project as per Section 135(6)	(10) Mode of Implementation -Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
1.	Pond revival and green zone development for overall sustainability and progression in local villages	iv	Yes	Uttar Pradesh	Gautam Budh Nagar	March 2024-2025	210	0.325	209.67	No	Honda India Foundation Trust	CSR00001270
Total							210	0.325	209.67			

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

(d). Amount spent in Administrative Overheads: NIL

(e). Amount spent on Impact Assessment: As per Point 4 of this Report, Impact Assessment is not applicable. Hence, no amount was spent under this head.

(f). Total amount spent for the Financial Year (8b+8c+8d+8e): 0.325

(g). Excess amount for set off:

S. No.	Particulars	Amount (Rs. in Lakh)
(i).	Two percent of average Net Profit of the Company as per Section 135(5)	207
(ii).	Total amount spent/transferred to unspent CSR Account for the Financial Year	Rs. 209.68
(iii).	Excess amount spent for the Financial Year [(ii)-(i)]	0
(iv).	Surplus arising out of the CSR Projects or Programs or Activities of the previous Financial Years, if any	0
(iv).	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0

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

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in the succeeding Financial Years (in Rs.)
				Name of the Fund	Amt (in Rs.)	Date of transfer	
1.	2021-22	170 Lakhs	131.84 Lakhs	NA			NIL
2.	2022-23	180 Lakhs	40.80 Lakhs	NA			139.20 Lakhs

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

S. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project Duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the project- Completed /Ongoing
1	-	Education (basic infrastructure) across its factory location in Greater Noida	2021-22	March 2022 to October 2023	132.61 Lakhs	131.84 Lakhs	132.61 Lakhs	Completed
2	-	Education (basic infrastructure) across its factory location in Greater Noida	2022-23	March 2022 to 2024	180 Lakhs	40.80 Lakhs	40.80 Lakhs	Ongoing

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

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

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

Sd/-
Shigeki Iwama
CMD and President & CEO/Chairman CSR Committee
(DIN: 10075458)

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

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

Good governance practices stem from the value system and philosophy of the organization and at our Company, we are committed to create shareholders' value in long term by adhering to governance processes combined with performance focused conducive work environment. Safety, Respect, Excellence and One Team approach in its ways of working, are fundamental drivers of sustainable business performance of the Company.

2. Board of Directors

The Board of Directors ('the Board') are responsible for and strive for establishing sound principles of Corporate Governance and are holding the ultimate responsibility for the overall management for long-term success of business of the Company. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

Your Company's Board comprises of an equal number of Independent and Non-Independent Directors in line with the applicable provisions of Companies Act, 2013 ('the Act') and SEBI (LODR) Regulations, 2015. During the Financial Year 2023-24, the Board consisted of eight Directors. The composition of the Board represents an optimal mix of professionalism, knowledge and experience which enables the Board to discharge its responsibilities and provide effective leadership to the business.

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

Board Meetings

There is a well-organized system for seeking Board approvals, which facilitates sound and informed decision making by the Board and its Committees. Agenda and other relevant reports are circulated well within the prescribed time. The quantum and quality of information supplied by the Management to the Board goes well beyond the minimum requirement stipulated under the Act, Secretarial Standards and the SEBI (LODR) Regulations, 2015. Where expedient, the Board also approves Resolutions by way of circulation between two successive Board meetings, as permitted by law, which are noted in the subsequent Board Meeting.

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

During the Financial Year 2023-24, four Board Meetings were held on May 12, 2023, August 10, 2023, November 10, 2023 and February 12, 2024. None of these meetings exceeded the maximum gap allowed by the law. During the year, one resolution by Circulation was passed by the Board of Directors on March 30, 2024. All statutory and other important items/ information were placed before the Board for approval/review.

The number of Directorship(s), Committee Membership(s) / Chairmanship(s) of all Directors is within the respective limits prescribed under the Act, and the SEBI (LODR) Regulations, 2015. The composition of the Board of Directors, attendance of the Directors at the Board Meetings and Annual General Meeting and other required details as per SEBI Listing Regulations are given below:

S. No.	Name of Director/ Member	Category#	Attendance at the last AGM	No. of Board Meetings attended	Number of Directorship in other public Companies	Number of Directorship in other listed companies	Name of other listed companies where he/she is a Director	Category of Directorship in other listed companies	Number of Committee Membership including (Chairpersonship)	Number of shares held
1	Shigeki Iwama	Non-ID/ED	Yes	4	Nil	Nil	NA	NA	2(Nil)	Nil
2	Manoj Arora*	ID/NED	Yes	4	1	Nil	NA	NA	1(1) *	Nil
3	Alka Marezban Bharucha	ID/NED	Yes	4	1	5	1. Ultratech Cement Ltd. 2. Orient Electric Limited 3. Hindalco Industries Ltd. 4. Aditya Birla Sun Life AMC Ltd. 5. ITC Limited	1. Independent Director 2. Independent Director 3. Independent Director 4. Independent Director 5. Independent Director	3(4)	Nil
4	Ravi Prakash Mehrotra	ID/NED	Yes	4	Nil	Nil	NA	NA	Nil (1)	200
5	Vinay Mittal	Non-ID/ED	Yes	4	Nil	Nil	NA	NA	1(Nil)	Nil
6	Noboru Sube**	Non-ID/ED	Yes	4	Nil	Nil	NA	NA	Nil (Nil)	Nil
7	Kaori Osakada	Non-ID/NED	Yes	4	Nil	Nil	NA	NA	Nil (Nil)	Nil
8	Anuradha Dutt	ID/NED	No	3	0	1	1. Mawana Sugars Limited	1. Independent Director	Nil (Nil)	Nil
9	Nitin Savara***	ID/NED	NA	0	0	1	1. Campus Active wear Limited	1. Independent Director	2(NIL)	NIL

*Ceased to be a director w.e.f. close of business hours on February 29,2024.

** Ceased to be a Director w.e.f. close of business hours on March 31, 2024

*** Appointed as an Independent Director w.e.f. March 01, 2024.

#ID: Independent Director, ED: Executive Director, NED: Non- Executive Director.

Notes:

- a. Directorships held by Directors as mentioned above do not include Alternate Directorship, Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.
- b. In accordance with Regulation 26(1)(a) only of SEBI Listing Regulations, for the purpose of number of Membership (Chairpersonship) of Audit Committee and Stakeholders Relationship Committee only of Public Limited and Listed Companies have been considered.
- c. None of the Directors is a member of more than ten Board Level Committees of Public Limited Companies in which they are Directors, nor are they Chairperson of more than five such Committees.
- d. There has been no inter-se relationship between the Directors of the Company.

Mr. Manoj Arora, Independent Director, Chairperson of the Audit Committee and Ms. Alka Marezban Bharucha, Independent Director and Chairperson of Nomination and Remuneration Committee and Mr. Ravi Prakash Mehrotra, Chairperson of Stakeholder Relationship Committee attended the Annual General Meeting of the Company held on August 10, 2024 through audio-visual means.

The Company does not pay any remuneration to its Non-Executive/ Independent Directors except sitting fee of Rs. 60,000/- (Rupees Sixty Thousand only) per Meeting for attending the Meetings of the Board and Audit Committee and Rs. 50,000/- (Rupees Fifty Thousand only) per Meeting for attending Meetings of its other Committees. No commission on the net profit of the Company is paid to any Director. There are no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company.

Key Board Skills, Expertise and Competencies:

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

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

*Ceased to be a director w.e.f. close of business hours on February 29,2024.

** Appointed as an Independent Director w.e.f. March 01, 2024.

*** Ceased to be a Director w.e.f. close of business hours on March 31, 2024

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

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

Familiarization Programme for Independent Directors

During the year 2023-24, Ms. Anuradha Dutt and Mr. Nitin Savara were appointed as Independent Directors on the Board of the Company.

At the time of the appointment, the Independent Directors are informed about their role and responsibilities. Presentations on the business and performance of the Company are made at the Board Meetings to familiarize the Independent Directors with the strategy, operations, and functions of the Company and to provide insights into the Company to enable the Independent Directors to be able to take well informed timely decisions and contribute significantly to the Company. Each director of the Company has complete access to any information relating to the Company. Board Members are promptly updated on any change and new development regarding relevant regulatory requirement such as SEBI regulations, Companies Act etc. The Board members are also made aware about the compliances applicable to the Company by way of quarterly compliances report. Independent Directors have the freedom to interact with the Company's management during the Board/ Committee of Directors meetings or otherwise.

The details of Familiarization Programme in terms of Regulation 25(7) of the SEBI (LODR) Regulations, 2015 are uploaded on the website of the Company and

can be accessed at <https://www.hondaindiapower.com/admin/public/uploads/document/ay2560gSu5.pdf>

Meeting of Independent Directors

During the year, the Independent Directors (IDs) met once through audio-visual means on November 10, 2023, 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 as a whole, Chairman of the Board and discussed various aspects relating to the quality, quantity, and timelines of the flow of information between the Company, the Management and the Board.

A certificate from a Company Secretary in Practice as annexed in **Annexure - F** has been taken that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director, by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority.

Senior Management of the Company consists of CMD and President & CEO, Whole Time Directors, CFO, Sr.Vice President (General Affairs), Vice President (Production) and General Manager (Purchase).

Change in the Senior Management of the Company, during the year, is mentioned in point no 24 of the Board's Report.

Committees of the Board

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

During the year, all recommendations of the Committees of the Board have been accepted by the Board.

The Board has established Audit Committee; Stakeholders Relationship Committee; Nomination and Remuneration Committee; Corporate Social Responsibility Committee; Board Committee on Financial Matters; and Risk Management Committee.

Each of these Committees function within the defined terms of reference and the minutes of the Committee Meetings are put up to the Board for noting at its subsequent meeting. The role and composition of these Committees, including the number of Meetings held during the Financial Year and the attendance therein are provided below:

i. Audit Committee

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

Composition of the Audit Committee and terms of reference meet with the requirements of Regulation 18 of the SEBI (LODR) Regulations, 2015 and provisions of the Act. The terms of reference to the Audit Committee as approved by the Board are available on the Company's website at <https://www.hondaindiapower.com/admin/public/uploads/document/fk9vE52pc6.pdf>.

The Chief Financial Officer, representatives of Statutory Auditors and of Internal Auditors attend the Meetings of the Audit Committee.

The Company Secretary acts as the Secretary to the Committee.

During the Financial Year 2023-24, Audit Committee met four times on May 12, 2023, August 10, 2023, November 10, 2023 and February 12, 2024, in compliance with the applicable laws. In each of these Meetings all the Members were present. The Board accepted all the recommendations made by the Audit committee. Constitution of the Committee and attendance of the Members at the Meetings were as under:

Name of the Member	Category	Status	Number of Meetings Attended
Mr. Manoj Arora*	ID/NED	Chairman	4
Ms. Alka Marezban Bharucha**	ID/NED	Chairperson	4
Mr. Shigeki Iwama	Non-ID/ED	Member	4
Mr. Nitin Savara***	ID/NED	Member	NIL

*Ceased to be the Chairman w.e.f close of business hours on February 29, 2024. pursuant to completion of his term as Independent Director of the company.

**Appointed as chairperson of the Audit Committee w.e.f. March 01, 2024.

*** Appointed as an Independent director of the Company w.e.f. March 01, 2024.

ii. Nomination and Remuneration Committee

In terms of Section 178 of the Act and Regulation 19 of SEBI (LODR) Regulations, 2015, the Company has constituted the Nomination and Remuneration Committee. The Committee mainly discharges the duties related to recommendation regarding nomination of Directors and Senior Management to the Board and their remuneration, formulating criteria for determining qualifications, attributes, independence and performance of Directors.

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

The Committee further formulates the criteria for evaluation of the performance of the Independent Directors. In compliance with requirements of the Act, the Constitution, terms of reference, role and scope of Committee are in line with those prescribed by the Act and Regulation 19 of SEBI (LODR), Regulations 2015, and are available on the Company's website at <https://www.hondaindiapower.com/admin/public/uploads/document/fk9vE52pc6.pdf>.

The Company Secretary acts as the Secretary to the Committee.

The Constitution of the Committee of the Members at the meetings were as under:

Name of the Member	Category	Status
Ms. Alka Marezban Bharucha	ID/NED	Chairperson
Mr. Manoj Arora*	ID/NED	Member
Mr. Ravi Prakash Mehrotra	ID/NED	Member
Ms. Anuradha Dutt**	ID/NED	Member

*Ceased to be the Member of the Committee, w.e.f close of business hours on February 29, 2024 pursuant to completion of his term as is of the company.

**Appointed as member of the Committee w.e.f. March 01, 2024.

One resolution by circulation was passed by the Committee on February 12, 2024.

During the year under review, Meeting of Nomination and Remuneration Committee was scheduled to be held on March 27, 2024. However, due to unforeseen/unavoidable circumstances, the members could not meet on the scheduled date. The said Meeting was re-scheduled and convened on April 10, 2024, after confirmation by the members.

Performance Evaluation Criteria

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

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

The Independent Directors at their Meeting also discussed the performance of the Non-Independent 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, integrity and maintaining of confidentiality, exercise of independent judgment in the best interest of the Company, adherence to the Code of Conduct for Independent Directors, bringing independent judgement during Board deliberations on Strategy, Performance, Risk Management, etc.

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

Details of remuneration paid to Directors for the year 2023-24

A. Executive Directors

The details of the remuneration paid to the Executive Directors during the year 2023-24 are as under:

(Amount in Rs.)

Name	Salary	Benefits	Bonus	Stock Options	Pension	Fixed Components	VariablePay	Service Contract
Mr. Shigeki Iwama	93,55,788	20,36,127	-	-	-	81,86,302	11,33,748	01.04.2022 to 31.03.2027
Mr. Vinay Mittal	9,00,000	1,23,46,232	-	-	-	93,41,000	-	01.04.2023 to 31.03.2026
Mr. Noboru Sube*	9,00,000	1,18,34,069	-	-	-	88,15,000	-	15.09.2021 to 14.08.2026

*Mr. Sube ceased to be a director w.e.f. close of business hours of March 31, 2024 due to his relocation to other country for another assignment.

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

B. Non-Executive Directors

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

Details of sitting fees paid during the year 2023-24 for attending the Meetings of Board of Directors and of its committees were as under:

(Amount in Rs.)

Name of the Director	Board	Audit Committee	Stakeholders Relationship Committee	Risk Management Committee	Nomination and Remuneration Committee	CSR Committee	Independent Directors Meeting	Total
Mr. Manoj Arora	2,40,000	2,40,000	-	1,00,000	-	-	50,000	6,30,000
Ms. Alka Marezban Bharucha	2,40,000	2,40,000	-	-	-	-	50,000	5,30,000
Mr. Ravi Prakash Mehrotra	2,40,000	-	50,000	-	-	50,000	50,000	3,90,000
Ms. Anuradha Dutt	1,80,000	-	-	-	-	-	50,000	2,30,000
Mr. Nitin Savara*	-	-	-	-	-	-	-	-
Ms. Kaori Osakada	No Sitting Fee was provided pursuant to the letter of waiver of fees received from the Director.							
Grand Total								17,80,000

*No Meeting was conducted after the appointment of the Director.

There are no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company. Criteria of making payments to non-executive Directors is uploaded on the website of the Company and can be accessed at <https://www.hondaindiapower.com/admin/public/uploads/document/e69kFA39mC.pdf>.

iii. Stakeholders Relationship Committee

The remit of the Committee as prescribed under Regulation 20 of the SEBI Listing Regulations and Amendment thereof, is to consider various aspects of interest of the security holders of the Company, including resolving complaints relating to transfer of shares, consolidation, splitting, transmission (except for cases of transmission where the heirs of the deceased shareholder do not produce full documentary evidence of their title to shares), re-materialization of shares, endorsement on fully paid share certificates which have further been sub-delegated by the Committee to the Company Secretary of the Company.

Composition of the Stakeholders Relationship Committee and terms of reference meet with the requirements of Regulation 20 of SEBI (LODR) Regulations, 2015, and provisions of the Act.

During the Financial Year 2023-24, the Committee met once on February 12, 2024, in compliance with the applicable laws.

During the year fourteen (14) Resolutions by Circulation were passed on April 06, 2023; April 12, 2023, April 24, 2023; June 28, 2023; July 19, 2023; September 05, 2023; September 26, 2023; September 27, 2023; October 03, 2023; October 31, 2023; November 27, 2023; January 16, 2024; February 13, 2024, and March 11, 2024.

Composition of the Committee and attendance of the Members at the Meeting was as follows:

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

The Company Secretary acts as the Secretary to the Committee.

Compliance Officer

Ms. Sunita Ganjoo, Company Secretary is the Compliance Officer for complying with the requirements of SEBI (LODR) Regulations, 2015, and SEBI (Prohibition of Insider Trading) Regulations, 2015, including the amendments/modifications thereof.

Investor Grievance Redressal

As on March 31, 2024, your Company had 20,762 investors. During the year under review, the status of complaints was as follows:

Number of investor Complaints pending at the beginning of the year	Number of investor complaints received during the year	Number of investor complaints disposed of during the year	Number of investor complaints not redressed upto the satisfaction of shareholders during the year	Number of investor complaints pending at the end of the year
0	2	2	0	0

iv. Corporate Social Responsibility Committee

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

During the Financial Year 2023-24, the Committee met once on February 12, 2024, in compliance with the applicable laws.

Composition of the Committee and attendance of the members at the meeting was as follows:

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

The Company Secretary acts as the Secretary to the Committee.

v. Board Committee on Financial Matters

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

The Board Committee on Financial Matters met three times during the year 2023-24 on April 14, 2023, June 19, 2023 and March 01, 2024. Attendance of the Members at the Meetings was as follows:

Name of the Member	Category	Status	No. of Meetings attended
Mr. Shigeki Iwama	Non-ID/ED	Chairman	3
Mr. Vinay Mittal	Non-ID/ED	Member	3
Mr. Noboru Sube*	Non-ID/ED	Member	3

*Ceased to be a director w.e.f. close of business hours on March 31, 2024.

The Company Secretary acts as the Secretary to the Committee.

vi. Risk Management Committee

The role and responsibilities of the Committee, inter alia, include (i) formulation of Risk Management Policy (ii) ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; (iii) monitoring and overseeing implementation

of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems and periodic review of the same. Further, the Committee shall keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken. The Board of Directors reviews the Risk Management Plan and actions taken thereof, annually. Policy on the Risk Management and detailed terms of reference of the Committee may be accessed at <https://www.hondaindiapower.com/admin/public/uploads/document/GSz7W5tme.pdf> and <https://www.hondaindiapower.com/admin/public/uploads/document/fK9vE52pc6.pdf> respectively.

The Committee met twice during the year on July 11, 2023 and on January 05, 2024.

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

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

* Ceased to be a Member w.e.f. close of business hours on February 29, 2024.

** Ceased to be a Member w.e.f. close of business hours on March 31, 2024.

3. Code of Conduct

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

Further, in compliance with the SEBI (LODR) Regulations, 2015, 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 <https://www.hondaindiapower.com/admin/public/uploads/document/852tcj8g4n.pdf>. All Board Members and Designated Senior Management personnel have affirmed compliance with the code of conduct. A declaration signed by the Chief Executive Officer to this effect is attached as **Annexure-G** to this Report.

In terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, and further amendments/ modifications thereof, the Company has formulated a Code of Conduct to regulate, monitor, and report trading by insiders to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. In this regard, the Company has established Structured Digital Database and has captured details of Designated/Connected persons in the database, which also captured details of UPSI being shared by and between the Designated/Connected persons.

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 <https://www.hondaindiapower.com/admin/public/uploads/document/K9bn5b87fA.pdf>.

4. General Body Meetings

Annual General Meetings: The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Location	Special Resolution Passed
2022-23	August 10, 2023	12:00 hours	Held through Audio Visual means	No Special Resolution was passed in this Annual General Meeting.
2021-22	September 26, 2022	11:00 hours		1. Revision in remuneration of Mr. Vinay Mittal, Whole Time Director (DIN 05242535)
2020-21	September 21, 2021			1. Revision in remuneration of Mr. Vinay Mittal, Whole Time Director (DIN 05242535) 2. Approval for alteration in the Memorandum of Association of the Company

Postal Ballot: During the year 2023-24, following Resolutions were passed by way of Postal Ballot through e- voting only:

S. No.	Particulars	Resolution Type
1.	Appointment of Mr. Shigeki Iwama (DIN 10075458) as a Director of the Company	Ordinary
2.	Appointment and payment of remuneration to Mr. Shigeki Iwama (DIN 10075458) as CMD and President & CEO of the Company	Special
3.	Appointment of Ms. Anuradha Dutt (DIN 00145124) as an Independent Director of the Company	Special
4.	Revision in remuneration of Mr. Vinay Mittal, Whole Time Director (DIN 05242535) of the Company	Special
5.	Appointment of Ms. Kaori Osakada (DIN 10077646) as a Non-Executive (Non-Independent) Director of the Company	Ordinary
6.	Appointment of Mr. Nitin Savara (DIN 09398370) as an Independent Director of the Company,	Special

Postal Ballots are conducted by the Company Secretary and the RTA of the Company in due compliance with the procedure prescribed by law in this regard.

5. Means of Communication

- The quarterly, half-yearly and annual results of the Company are published in the leading newspapers i.e. Financial Express (English) and Jansatta (Hindi). The Company has sent financial results to the Stock Exchanges within thirty minutes of closure of the meeting in which these were approved by the Board of Directors of the Company.
- The results of the Company are displayed on the Company's website www.hondaindiapower.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.
- The Company made no presentation to the Analysts during the Financial Year 2023-24.
- Annual Report containing inter-alia, Financial Statements, Directors' Report, along with Annexures thereof Auditors' Report and other important information is circulated to Members and others entitled thereto.

6. General Shareholders' Information

i. 39th Annual General Meeting

Day, Date and Time	:	Thursday, September 05, 2024, 12:00 NOON IST
Venue	:	Through audio visual means
Financial Year	:	Year ended March 31, 2024
Book Closure	:	August 30, 2024 to September 05, 2024 (both days inclusive)
Dividend Payment Date	:	September 26, 2024

ii. Tentative Financial Calendar 2024-25

The tentative dates for approval of Unaudited/ Audited Financial Results for 2024-25, are as follows: Quarter ending June 30, 2024 2nd week of August, 2024

Quarter ending September 30, 2024	2nd week of November, 2024
Quarter ending December 31, 2024	2nd week of February, 2025
Quarter ending March 31, 2025	Last week of May, 2025 (Audited)

iii. Dividend Details

Unclaimed dividends up to the Financial Year 1994-95 have been transferred to the General Revenue Account of the Central Government and for the Financial Years 1996-97 to 2015-16 to Investor Education and Protection Fund constituted by the Central Government. Details of unclaimed dividend as on March 31, 2024, are given hereunder:

Period	Rate (%)	Date of declaration	Date of payment	Unclaimed dividend (Rs.)
2016-17	75	04-08-2017	01-09-2017	6,86,760.50
2017-18	90	13-08-2018	10-09-2018	6,04,413.00
2018-19	100	07-08-2019	04-09-2019	5,28,950.00
2019-20	125	21-09-2020	19-10-2020	5,42,403.00
2020-21	100	21-09-2021	19-10-2021	6,02,098.00
2021-22	150	26-09-2022	21-10-2022	6,80,264.00
2022-23	165	10-08-2023	05-09-2023	6,31,400.50

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

Listing fees for the year 2024– 2025 has been paid to BSE and to NSE respectively.

v. Stock Market Data

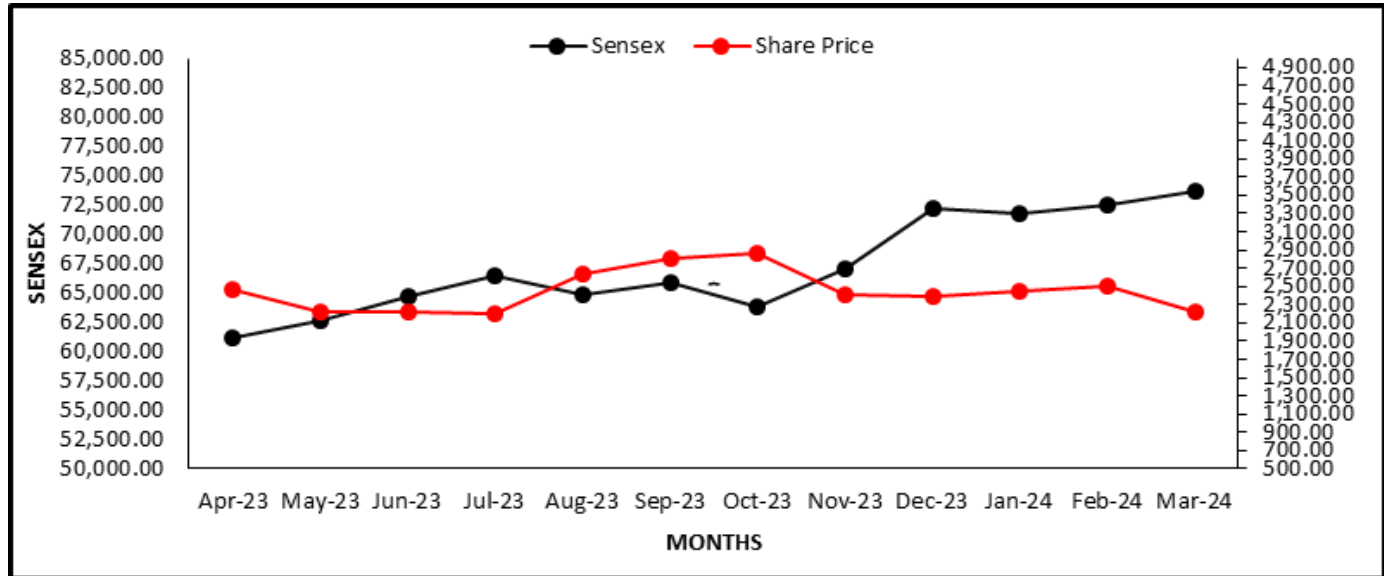
Monthly high and low quotations as well as the volume of shares traded at BSE and NSE were as under:

(Amount in Rs. /Shares)

Months	BSE			NSE		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
April 23	2,499.95	1,959.05	56,153	2500.00	1993.60	3,89,707
May 23	2,585.00	2,169.15	32,781	2589.85	2200.00	3,07,649
June 23	2,264.85	2,105.00	28,614	2265.05	2102.10	1,85,776
July 23	2,250.00	2,105.30	13,072	2232.95	2105.10	1,00,667
August 23	2,698.00	2,135.05	29,825	2699.95	2145.65	5,34,110
September 23	2,938.50	2,587.55	28,171	2944.00	2600.20	2,91,740

October 23	3,133.00	2,590.10	33,745	3136.15	2582.55	3,50,893
November 23	3,049.90	2,400.00	28,648	3006.60	2400.30	2,39,305
December 23	2,486.95	2,305.05	29,727	2496.00	2300.00	2,65,803
January 24	2,492.40	2,299.05	28,334	2494.00	2314.00	2,64,805
February 24	2,597.20	2,197.15	34,718	2592.00	2199.00	3,11,801
March 24	2,564.95	2,144.75	13,435	2555.00	2156.00	1,43,783

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



vii. Registrar and Share Transfer Agents (RTA)

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

Mr. Shravan Mangla
Mas Services Limited

Unit: Honda India Power Products Limited

T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 011-26387281/82/83, Fax:- 011-26387384

email:- investor@masserv.com, website : www.masserv.com

viii. Investors' Service and Share Transfer System

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

Honda India Power Products Limited,

Secretarial and Legal Department,

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

Phone Nos: 0120-2590211, 2341055-59; Email: ho.legal@hspp.com

The requests received from the shareholders with respect to transfer/transmission/Issue of duplicate share certificates etc. are disposed expeditiously, provided that the documents are complete and ownership of shares under transfer is not under dispute. The Company obtains a certificate of compliance with the share transfer formalities as required under Regulation 40(9) of SEBI (LODR) Regulations, 2015 on yearly basis from a Company Secretary in practice and the same is being filed with the Stock Exchanges.

ix. Distribution of shareholdings as on March 31, 2024

No. of Shareholders	% to Total shareholders	Shareholding of Nominal Value of Rs	No. of Shares	Amount in Rs	% to Total shares/ amount
20342	97.98	1 to 5000	8,40,453	84,04,530	8.286
244	1.175	5001 to 10000	1,84,095	18,40,950	1.815
88	0.424	10001 to 20000	1,27,168	12,71,680	1.254
27	0.130	20001 to 30000	65,926	6,59,260	0.650
13	0.063	30001 to 40000	46,296	4,62,960	0.456
11	0.053	40001 to 50000	51,615	5,16,150	0.509
15	0.072	50001 to 100000	1,02,654	10,26,540	1.012
22	0.106	100001 and above	87,24,864	8,72,48,640	86.018
20762	100.00	TOTAL	1,01,43,071	10,14,30,710	100.000

x. Pattern of shareholding as on March 31, 2024

Categories	No. of Shares	Shareholding (%)
Promoters	6762000	66.67
Mutual Funds	1551977	15.30
Foreign Portfolio Investors	147196	1.45
Financial Institutions and Banks	848	0.01
Individuals	1442300	14.22
NBFC Registered with RBI	0	0
Bodies Corporate	88920	0.88
NRIs, FIIs, OCBs etc.	87451	0.87
IEPF	58107	0.57
Clearing Members	3672	0.04
Trusts	600	0.01
Total	1,01,43,071	100

xi. Dematerialization of shares and liquidity

99.01 % of total equity capital is held in dematerialized form with NSDL and CDSL as on March 31, 2024. During the year, (i.e., from 01-04-2023 to 31-03-2024) 327 share certificates involving 13,855 shares were dematerialized (including 110 share certificates consisting of 3381 shares transferred to IEPF in Demat mode for physical cases) representing 0.1366 % 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, 2024, 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 or foreign exchange risk undertaken by the Company.

xiv. Plant location:

Plot No. 5, Sector 41 (Kasna),
Greater Noida Industrial Development Area, Distt. Gautam Budh Nagar, U.P. -201310.

7. Disclosures

- (i) Related parties and transactions with them as required under Accounting Standard 18 and Regulation 23 of SEBI (LODR) Regulations, 2015 are furnished under Note No. 30(d) of 'Notes to Financial Statement' for the year ended March 31, 2024.
- (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 policy /vigil mechanism, in the name of Vigil Mechanism / Business Ethics Proposal Line (BEPL) and Business Ethics Committee (BEC), in place. All the employees of the Company/other stakeholders i.e., dealers, suppliers etc., through this mechanism are free to report violation of laws, rules, regulations, or unethical conduct of any employee of the Company directly to Chairman of Audit Committee. No personnel have been denied access to the Committee.
- (v) The Company has complied with all mandatory requirements as stipulated in SEBI (LODR) Regulations, 2015.
- (vi) The Company does not have any subsidiary company.
- (vii) The policy framed for dealing with Related Party Transactions is displayed on the website of the Company at <https://www.hondaindiapower.com/admin/public/uploads/document/t398j8kCjn.pdf>.
- (viii) The Company, during the Financial Year 2023-24, has not issued any debt instruments or has not taken Fixed Deposits or has not mobilized funds under any scheme or proposal. Hence, no credit ratings were obtained.
- (ix) During the Financial Year 2023-24, no funds were raised through preferential allotment or by allotment of securities to qualified Institutional Placements as specified under Regulation 32(7A).
- (x) During the year, the Board has accepted all such proposals as recommended by the Audit Committee of the Board.
- (xi) During the Financial Year 2023-24, the Company has paid a total fee of Rs. 61 lakhs to M/s B S R and Co. LLP, Chartered Accountants, statutory auditors of the Company towards the audit and other services.
- (xii) The Company has not granted any type of loan and advance to any Company/Firm in which Directors are interested.
- (xiii) During the Financial Year 2023-24, no complaint has been filed by women employees of the Company under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- xiv) During the Financial Year 2023-24, the trading of Securities was not suspended.

8. The status of adoption of the non-mandatory requirements as prescribed in Regulation 27(1) of SEBI (LODR) Regulations, 2015 is as under:
a. Audit Qualification

The Company is in the regime of unqualified financial statements.

b. Reporting of Internal Auditor

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

9. The Company has complied with all the applicable Corporate Governance requirements as specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of SEBI Listing Regulations.

10. Quarterly Compliance Report

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

11. Compliance with Code of Conduct

A declaration with regard to Code of Conduct for the year ended March 31, 2024, issued by the CMD and President & CEO of the Company is annexed at **Annexure -G**.

12. CEO/CFO Certification

In terms of Regulation 17(8) of the SEBI Listing 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- H**.

13. Compliance Certificate of Practicing Company Secretary

The Company has obtained a Certificate from Practicing Company Secretary regarding compliance with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations. The Certificate is annexed as **Annexure-I**.

Annexure-F to Board's Report

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

**The Members of
Honda India Power Products Limited
409, DLF Tower-B,
Jasola Commercial Complex,
New Delhi-110025**

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of the Director	DIN	Initial Date of appointment	Re-appointment, if any
1	Alka Marezban Bharucha	00114067	15/09/2014	(Re-appointed as Independent Director w.e.f. 15/09/2019)
2	Ravi Prakash Mehrotra	06823899	31/03/2020	-
3	Anuradha Dutt	00145124	01/04/2023	-
4	Vinay Mittal	05242535	01/04/2012	(Re-appointed as Whole Time Director w.e.f. 01/04/2017 and 01/04/2022)
5	Shigeki Iwama	10075458	01/04/2023	-
6	Kaori Osakada	10077646	01/04/2023	-
7	Noboru Sube	09269643	11/08/2021	(Re-designated as Whole Time Director w.e.f. 15/09/2021 and ceased to be director from closing hours of 31/03/2024)
8	Nitin Savara	09398370	01/03/2024	-

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

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

Sd/-

**Saryu Munjal
(Proprietor)**

M. No. A34161; C.P. No.: 23014

Peer Review No.: 1927/2022

UDIN: A034161F000306015

Date: May 04, 2024

Place: Karnal

CERTIFICATE AND DECLARATION

I, Shigeki Iwama, in my capacity as CMD and President & CEO of Honda India Power Products Limited do hereby confirm and declare that as stipulated under Regulation 34(3) read with Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the best of my knowledge and belief, Members of the Board of Directors and Senior Management personnel of the Company have affirmed compliance, as on March 31, 2024, 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 the Code of Conduct of the Company, received from respective Members of the Board of Directors and Senior Management.

For Honda India Power Products Limited

Sd/-

Shigeki Iwama

CMD and President & CEO

Date: May 09, 2024

Place: Greater Noida

Annexure-H to Board's Report**CERTIFICATE**

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

- A. That we have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
 2. these statements together present a true and fair view of the Company's affairs and are following existing Accounting Standards, applicable laws and regulations.
- B. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Company's Code of Conduct.
- C. That we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. That we have indicated to the Auditors and the Audit Committee:
1. significant changes in internal control over financial reporting during the year.
 2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

This certificate has been issued in compliance with the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Honda India Power Products Limited

Sd/-

Vinay Mittal

Whole Time Director & CFO

Sd/-

Shigeki Iwama

CMD and President & CEO

May 20, 2024

Greater Noida

Annexure-I to Board's Report**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

To
The Members
Honda India Power Products Limited

- I have examined the compliance of conditions of Corporate Governance by Honda India Power Products Limited ("the Company") for the year ended March 31, 2024 as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedure and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
- In my opinion, and to the best of my information and according to the explanations given to me, and the representations made by the Company in connection with the said report, I certify that during the year ended March 31, 2024, the Company has complied with clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V and Regulation 17, 18, 20, 21, 22, 23, 24, 25, 26 and 27 of the SEBI Listing Regulations. During the said period, meeting of Nomination and Remuneration Committee scheduled to be held on March 27, 2024, was re-scheduled and held on April 10, 2024.
- I further state that such compliance is neither an assurance as to the future viability of the Company nor its efficiency or effectiveness with which the Management has conducted the affairs of the Company.

FOR SARYU MUNJAL & ASSOCIATES

Company Secretaries

Sd/-

Saryu Munjal

Proprietor

Date: May 08, 2024

Place: Karnal

M. No. A34161; C.P. No. 23014

UDIN: A034161F000329027

Peer Review No.: 5633/2024

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

INDEX

S. No.	Reference	Particulars
1	Section A	General disclosures
2	Section B	Management and process disclosures
3	Section C	Principle-wise performance disclosure

PRINCIPLES

S. No.	Particulars
Principle 1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe.
Principle 3	Businesses should respect and promote the wellbeing of all employees, including those in their value chains.
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect and make efforts to protect and restore the environment.
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
Principle 8	Businesses should promote inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner.

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1	Corporate Identity Number (CIN)	L40103DL2004PLC203950
2	Name	Honda India Power Products Limited (HIPP/Company)
3	Year of incorporation	19-09-1985
4	Registered office address	409, DLF Tower B Jasola Commercial Complex New Delhi - 110025
5	Corporate address	Plot No.5, Sector-41 (Kasna), GNIDA, Gautam Budh Nagar, U.P.- 201310
6	E-mail	ho.legal@hspp.com
7	Telephone	0120-2590211
8	Website	www.hondaindiapower.com
9	Financial Year for which reporting is being done	2023-24
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited, National Stock Exchange Limited
11	Paid-up Capital	10,14,30,710
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Sunita Ganjoo, 0120-2590211, ho.legal@hspp.com
13	Reporting boundary	Standalone Basis
14	Whether the company has undertaken reasonable assurance of the BRSR core	No
15	Name of Assurance Provider	Not Applicable
16	Type of Assurance obtained	Not Applicable

II. Products/services

17. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Manufacturing / sales of Generator '&' and General-Purpose Engines, Water Pumps, Tiller etc.	91.21%

18. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Power products	27101, 28110, 28132, 28212, 28213	100%

III. Operations

19. Number of locations where plants and/or operations/offices are situated:

Location	Number of plants	Number of offices	Total
National	1	15	16
International	0	0	0

20. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	36 (including Union Territories)
International (No. of Countries)	35

b. Contribution of exports as a percentage of the total turnover of the Company: 39.35%

c. Brief of types of customers of the Company: Two major categories of the customers served by the Company are:

- Dealers: Dealing directly with the Company and selling to the end customers.
- Institutional Customers: These include all Government. agencies / Government bodies/Government e-markets (GeM) - directly or indirectly involved.

IV. Employees

21. Details as at the end of Financial Year: 2023-24

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	403	378	94%	25	6%
2.	Other than Permanent (E)	109	109	100%	0	0%
3.	Total employees (D + E)	512	487	95%	25	5%
WORKERS						
4.	Permanent (F)	339	322	95%	17	5%
5.	Other than Permanent (G)	297	297	100%	0	0%
6.	Total workers (F + G)	636	619	97%	17	3%

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	1	1	100%	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	1	1	100%	0	0

22. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8*	3	38%
Key Management Personnel	4	1	25%

*Board of Directors include 3 KMPs.

23. Turnover rate for permanent employees and workers

Trend for the past three years:

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	7%	12%	7%	9%	28%	10%	10%	9%	15%
Permanent Workers	1%	0%	1%	1%	0%	1%	0%	0%	0%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

24. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ jointventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listedentity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Honda Motor Co. Ltd., Japan	Holding	0%	No

VI. CSR Details

25. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 : Yes
(ii) Turnover (in Rs.) : 9,883 lakh
(iii) Net worth (in Rs.) : 81,017 lakh

A detailed report on CSR projects undertaken during the Financial Year 2023-24 has been provided in 'Annexure - E' to the Board's Report.

VII. Transparency and Disclosures Compliances

26. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No/ NA)	(If Yes, then provide web-link for grievance redress policy)	FY (2023-24)			PY (2022-23)			(If NA, then provide the reason)
			Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	
Communities	No		0	0	No compliants were filled by communities in any of the principle.	0	0	No compliants were filled by communities in any of the principle.	
Investors (other than shareholders)	No		0	0	No investors are there other than shareholders of the Company.	0	0	No investors are there other than shareholders of the Company.	
Shareholders	Yes	https://www.hondaindiapower.com/investors/investors-contact	0	0	No compliants were filled by Shareholders in any of the principle.	0	0	No compliants were filled by Shareholders in any of the principle.	
Employees and workers	Yes	https://www.hondaindiapower.com/admin/public/uploads/document/fE65sfbg4p.pdf	0	0	No compliants were filled by Employees and workers in any of the principle.	0	0	No compliants were filled by Employees and workers in any of the principle.	
Customers	Yes	https://www.hondaindiapower.com	0	0	No compliants were filled by customers in any of the principle.	0	0	No compliants were filled by customers in any of the principle.	
Value Chain Partners	Yes	https://www.hondaindiapower.com/admin/public/uploads/document/fE65sfbg4p.pdf	0	0	No compliants were filled by the value chain partners in any of the principle.	0	0	No compliants were filled by the value chain partners in any of the principle.	

*Employees are also given access to raise their concerns through BEPL hotline the link of the same has been provided on intranet of the Company.

** Besides this, recourse can be sought through customer care portal and BEPL hotline provided on the website of the Company.

*** Policy provided on the website of the Company.

27. Overview of the Company's material responsible business conduct issues .

Material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to our business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, are as follows:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt ormitigate	Financial implications of the risk or opportunity (Indicate positive ornegative implications)
1	Product Related	Opportunity	Your Company's products meet the prescribed environment and pollution standards, wherever they are being sold/used. This is ensured by way of continuous R & D supported by Honda Motor Co. Ltd., Japan. Without the required level of technical know-how, it would be challenging to produce complying products.	NA	Positive

2	Process Related	Risk	<p>The process of manufacturing, involving highly technical resources, is difficult to match for any new entrant.</p> <p>Ever changing environmental regulations pose a risk to the Company, as compliance with these involves setting up of required infrastructure, updated knowledge of the relevant laws and spreading of awareness among the process owners.</p>	Your Company has a well laid out and robust compliance organization whereby with the help of third parties and in-house expertise, these are being taken care of.	Negative
3	Society Related	Risk	<p>Your Company operates in an environment wherein the natural resources like water and air are being utilized.</p> <p>The Company has required infrastructure in place to see that only the minimum required resources are being utilized. The Company tries to restore natural resources to the maximum extent possible.</p> <p>Your Company is following all applicable laws/rules pertaining to waste management as prescribed by the concerned regulatory authorities from time to time.</p>	Your Company has a well laid out and robust compliance organization whereby with the help of third parties and in-house expertise, these are being taken care of.	Negative

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Detail of the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions			P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9									
Policy and management processes																				
1.	a.	Entity's policy/policies covering each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
	b.	Board's approval of the policies: (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y									
	c.	Web Link of the Policies	The policies pertaining to P1, P3, P4, P7 and P8 are available on the website of the Company. Rest all are available on the intranet of the Company.																	
2.	Whether the policies are translated into procedures. (Yes / No)		Y	Y	Y	Y	Y	Y	Y	Y	Y									
3.	Do the enlisted policies extend to value chain partners? (Yes/No)		Y	Y	N	N	Y	Y	N	Y	Y									
4.	Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g.SA 8000, OHSAS, ISO, BIS) adopted by the entity and mapped to each principle.		The Company policies incorporate Indian and global best practices. The Company is an ISO 9001 Company and also certified with ISO 14001and is compliant with BIS Standards.																	
5.	Specific commitments, goals and targets set by the entity with defined timelines, if any.		The Company is working to minimize the impact of its activities on the environment by reducing carbon emission as per the targets below:																	
			2023-24					2024-25												
			71.3 Tons					29.77												
6.	Performance of the entity against specific commitments, goals and targets along-with reasons in case the same are not met.		During the year 2023-24, the Company could achieve reduction of 73.2 Tons																	
Governance, leadership and oversight																				
7.	Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements. The basic principle of the Company is to be 'a Company which Society wants to exist'. Based on this principle, the Company, whether required under law or otherwise, conducts its day-to-day operations and other incidental activities. With this in mind, we manufacture/sell the products which are environment friendly and meet the statutory requirement as prescribed under relevant regulations. All the production and distribution activities follow the prescribed Waste Management requirements. The production activities also follow the aforementioned basic principle and tries to exploit the minimum possible required natural resources and also restores the same to the extent possible.																			
8.	Highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).		Yes, the Company has formed a Steering Committee to strategize the business and the way it must be conducted.																	
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.		The Committee consists of Senior Management Team including all the executive Directors of the Company as its Members.																	
10.	Details of Review of NGRBCs by the Company:																			
Subject for Review			Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
			P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action			Y	Y	Y	Y	Y	Y	Y	Y	Y	Monthly Review								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances			Y	Y	Y	Y	Y	Y	Y	Y	The Company complies with all statutory requirements to the extent applicable and are being reviewed monthly									

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11.	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.	No, the Internal Auditors/Secretarial Auditors as well as the ISO Not Auditors review the implementation of the policies from time to time. However, no dedicated audit was conducted by external Auditors for this purpose.								
12.	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated: Not applicable									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the principles during the Financial Year:

Segment	Total number of training and awareness programs held	Topics/ principles covered under the training and its impact	%age of persons in respective category covered by the awareness programs
Board of Directors	4	The Board of Directors and the KMP's are familiarized inter alia on the following: 1. Business Performance updates 2. Business and Sustainability strategy 3. Risk Management plan 4. Governance, Compliance and Regulatory updates	100%
Key Managerial Personnel	4	1. Honda Code of Conduct/Prevention of Insider Trading 2. Vigil Mechanism/Business Ethics Proposal Line/Anti-bribery 3. PoSH 4. Environment and safety	100%
Employees and other than BOD and KMPs	8	Training programs covering all principles including topics such as Code of Conduct, PoSH, skill upgradation, health & safety and environment etc.	100%
Workers	8	Health & safety and skill upgradation, on the job trainings etc.	100%

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the Company or by Directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the Financial Year on the basis of materiality as specified in Regulation 30 of SEBI (LODR) Regulations, 2015 and as disclosed on the Company's website:

No fines or other kinds of penalties were levied during the reporting period which were material in nature.

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

The Company has anti-corruption and anti-bribery policy, which explains the dos and don'ts with respect to these policies and the laws as applicable. Further, the Company has a process in place to regularly update all concerned with respect to these policies. The policy is available on the intranet/website of the Company and can be assessed at <https://www.hondaindiapower.com/admin/public/uploads/document/rs4jy6hSkw.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

NIL

6. Details of complaints regarding conflict of interest

	FY (2023-24)		PY (2022-23)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	No such complaint was received during the FY 23-24	0	No such complaint was received during the FY 22-23
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	No such complaint was received during the FY 23-24	0	No such complaint was received during the FY 22-23

7. Details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:

Not applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) :

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	50	36

9. Open-ness of business - Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format

Parameter	Metrics	FY (2023-24)	PY (2022-23)
Concentration of Purchases	a. i) Purchases from trading houses	204,120,000	581,230,000
	ii) Total purchases	5,245,630,000	1,216,145,000
	iii) Purchases from trading houses as % of total purchases	3.89%	4.78%
	b. Number of trading houses where purchases are made	14	14
	c. i) Purchases from top 10 trading houses	204,420,000	582,130,000
	ii) Total purchases from trading houses	204,120,000	581,230,000
	iii) Purchases from top 10 trading houses as % of total purchases from trading houses	100%	100%
Parameter	Metrics	FY (2023-24)	PY (2022-23)
Concentration of Sales	a. i) Sales to dealer / distributors	8,835,771,971	11,314,530,377
	ii) Total Sales	9,890,662,000/-	12,462,886,000/-
	iii) Sales to dealer / distributors as % of total sales	89%	91%
	b. Number of dealers / distributors to whom sales are made	570	548
	c. i) Sales to top 10 dealers / distributors	INR 4,585,991,322/-	INR 7,366,456,585/-
	ii) Total Sales to dealer / distributors	INR 8,835,771,971/-	INR 11,314,530,377/-
	iii) Sales to top 10 dealers / distributors as % of total sales to dealer / distributors	52%	65%
Parameter	Metrics	FY (2023-24)	PY (2022-23)
Share of RPTs in	a. i) Purchases (Purchases with related parties)	INR 1,47,60,39,938/-	INR 1,91,90,66,032/-
	ii) Total Purchases	INR 5,80,15,59,000 /-	INR 7,46,34,90,000/-
	iii) Purchases (Purchases with related parties as % of Total Purchases)	25%	26%
	b. i) . Sales (Sales to related parties)	3,990,184,032	7,040,188,073
	ii) Total Sales	9,890,662,000	12,462,886,000
	iii) Sales (Sales to related parties as % of Total Sales)	40%	56%
	c. i) Loans & advances given to related parties	0	0
	ii) Total loans & advances	0	0
	iii) Loans & advances given to related parties as % of Total loans & advances		
	d. i) Investments in related parties	0	0
	ii) Total Investments made	0	0
	iii) Investments in related parties as % of Total Investments made		

Leadership Indicators

1. Awareness programs conducted for value chain partners on any of the principles during the Financial Year:

Total number of awareness programmes held	Topics / principles covered under the training	Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes
2	Sustainability	38.01%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

The Code of Conduct for Board and Senior Management team members has been adopted by the Board. If a Director has or could have such an interest, they must disclose it to the Board and refrain from participating in discussions on, casting votes for, or otherwise influencing decisions about such matters.

Each year, the Board members and management certify their compliance with the Code of Conduct is being followed. Please refer to the link below for the policy <https://www.hondaindiapower.com/admin/public/uploads/document/852tcj8g4n.pdf>

The Company receives declarations from its Directors, disclosing details of related parties/parties in which they have interest, which are placed before the Board of Directors at its meetings. These disclosures help the Company and the Board of Directors in evaluating the possibility of any present or potential conflict of interest.

PRINCIPLE 2 : Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

1. Percentage of R & D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R & D and capex investments made by the entity, respectively.

FY (2023-24)	PY (2022-23)	Details of improvements in environmental and social impacts	
R&D	0.00%	0.00%	To make the products and processes meet the regulatory requirement and to be environment friendly, the Company has entered into an agreement with the Honda Motor Co. Ltd., Japan (HM) for providing the latest globally recognized technologies to the Company. Additionally, under the agreement, the Company's workforce gets training in adopting the processes and technologies in the best possible manner. The Company, in lieu thereof, pays a certain percentage of the sales value in the form of royalty to HM. Since the Company pays royalty for products/processes/updated technology and usage of brand name, value of the percentage against the environment and social impact cannot be ascertained.
Capex	0.00%	0.00%	NA

2. a. Does the entity have procedures in place for sustainable sourcing? : Yes.

b. If yes, what percentage of inputs were sourced sustainably? :100% inputs were sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for Plastics (including packaging), E-Waste, Hazardous Waste, Other Waste.

The Company has e-waste management policy (activated through its distribution channel partners) as well as Plastic Waste Management Policy, which meets the requirement of waste management as required under law.

4. Whether Extended Producer Responsibility (EPR) is applicable to the Company's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, Extended Producer Responsibility (EPR) is applicable to the Company's activities. Plastic waste generated in the market from product packaging is managed in accordance with Plastic Waste Management Rules. The Company is required to collect 100% of the plastic packaging waste as per the EPR plan submitted to the Pollution Control Board.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products:

No such assessment was made during the reporting period.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Not applicable

3. Percentage of recycled or reused input material to total material (by value) used in production:

The Company directly does not use the recycled material as an input for production.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2023-2024 Current Financial Year			FY 2022-2023 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	177 MT	-	-	127.54 MT	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

During the period under review, the Company did not directly reclaim any product or its packaging material.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	378	378	100%	378	100%	0	0%	0	0%	0	0%
Female	25	25	100%	25	100%	16	64%	0	0%	2	8%
Other	-	-	-	-	-	-	-	-	-	-	-
Total	403	403	100%	403	100%	16	4%	0	0%	2	0.5%
Other than permanent employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Well-being of employees, not directly hired by the Company, is secured under the clause in the agreement entered between the Company and the agency providing the manpower.

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	322	322	100%	322	100%	-	-	-	-	-	-
Female	17	17	100%	17	100%	13	76%	-	-	6	35%
Other	-	-	-	-	-	-	-	-	-	-	-
Total	339	339	100%	339	100%	13	4%	-	-	6	2%
Other than permanent workers											
Male	297	185	62.29%	Covered under ESIC	100%	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total	297	185	62.29%	Covered under ESIC	100%	-	-	-	-	-	-

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2023-24	PY 2022-23
i) Cost incurred on wellbeing measures (well-being measures means well-being of employees and workers (including male, female, permanent and other than permanent employees and workers))	965	962
ii) Total revenue of the company	98907	124629
iii) Cost incurred on wellbeing measures as a % of total revenue of the company	0.98%	0.77%

2. Details of retirement benefits

Benefits	FY (2023-24)			PY (2022-23)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	N/A	100%	100%	N/A
ESI	16.10%	29%	Yes	16.30%	27.50%	Yes
Superannuation/ NPS	36%	0	N/A	36%	0	N/A

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? - If so, provide a web-link to the policy.

The Company is committed to ensure that existing employees, job applicants and workers are treated fairly in an environment which is free from any form of discrimination. We are an equal opportunity workplace with gender neutral compensation policies and norms. Our diversity and equal opportunity policy can be assessed at <https://www.hondaindiapower.com/admin/public/uploads/document/864lgm2233.pdf>

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100%	100%	100%	100%
Other	0	0	0	0
Total	100%	100%	100%	100%

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers?

If yes, details of the mechanism in brief.	Yes/No	(If yes, then give details of the mechanism in brief)
Permanent Workers	Yes	Grievance redressal mechanism is available at all locations of the Company. Grievances can be raised through dedicated e-mail or through drop boxes available at all locations and all the grievances that are received through different platforms are directed to the Business Ethics Committee and resolved as per the laid down procedures.
Other than Permanent Workers		
Permanent Employees		
Other than Permanent Employees		

7. Membership of employees and worker in association (s) or Unions recognized by the listed entity:

The Company does not have any trade union.

8. Details of training given to employees and workers:

Category	FY (2023-24)					PY (2022-23)				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No.(B)	% (B / A)	No.(C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	378	281	74%	321	80%	387	179	46%	302	78.03%
Female	25	16	64%	22	88%	25	10	40%	25	100%
Other	-	-	-	-	-	-	-	-	-	-
Total	403	297	74%	343	85%	412	189	46%	327	79.36%
Workers										
Male	322	55	17%	322	100%	325	86	26%	325	100%
Female	17	0	0%	17	100%	17	17	100%	17	100%
Other	-	-	-	-	-	-	-	-	-	-
Total	339	55	16%	339	100%	342	103	30%	342	0%

9. Details of performance and career development reviews of employees and worker:

Category	FY (2023-24)			PY (2022-23)		
	Total (A)	No.(B)	% (B / A)	Total (D)	No.(E)	% (E / D)
Employees						
Male	378	355	94%	387	373	96%
Female	25	22	88%	25	22	88%
Other	-	-	-	-	-	-
Total	403	377	94%	412	395	94%
Workers						
Male	322	322	100%	325	325	100%
Female	17	17	100%	17	17	100%
Other	-	-	-	-	-	-
Total	339	339	100%	342	342	100%

10. Health and safety management system:

a. Implementation of occupational health and safety management system by the Company along with the coverage.

Yes, occupational health and safety management system has been implemented by the entity. It covers the entire operations including manufacturing facilities and offices. Systems have been implemented in accordance with the applicable standards.

b. Processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the Company.

The Company has in place systematic risk management process to identify and control all the hazards in manufacturing and offices. Moreover, it has a well-defined Risk Management framework that is designed to enable risks identification, assessment, mitigation, monitoring and reporting and is the key driver for controlling the risk of EHS in business. The risk management process encompasses a spectrum of strategic, operational, financial and compliance risks that your Company is exposed to.

c. Whether the entity have processes for workers to report the work-related hazards and to remove themselves from such risks?

The Company has placed suggestion boxes at various places in the factory for workers to report any issue including work related hazard. An Occupational Safety & Health Committee has also been set up which takes care of any type of hazards by way of conducting audits at specified intervals and to take counter measures against any observation in this regard.

d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?

Yes, medical centre and first aid facilities are available for both employees and workers with a qualified medical professional and the nursing staff. Beside this all the employees are covered under Group Accident Policy taken by the Company with well recognized insurer.

The Company conducts annual health Check-up of employees and workers. To promote health and well-being of its workers and employees, provide access to various wellness workshops in addition to annual medical check-up.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY (2023-24)	PY (2022-23)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
	Workers	NIL	NIL
Total recordable work-related injuries	Employees	NIL	NIL
	Workers	NIL	NIL
No. of fatalities	Employees	NIL	NIL
	Workers	NIL	NIL
High consequence works related injury or ill-health (excluding fatalities)	Employees	NIL	NIL
	Workers	NIL	NIL

Occupational health and safety are a priority for the Company and everyone at the Company is responsible for it. As a responsible employer, organization-wide Health and safety policies and procedures are in place.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Your Company firmly believes in providing a safe, supportive and friendly workplace environment – a workplace where our values come to life through supporting behaviours. As a first barrier against any unsafe situation, all the employees are given training at regular intervals, this is further strengthened by providing safety gears to the workers working at shopfloors. The Company has in place a full-fledged nursing centre in case of any untoward incident, on site ambulance and a contract for providing emergency medical services, if required, with a nearby reputed Hospital. The Company regularly provides annual preventive health checks for all its employees.

13. Number of Complaints on the following made by employees and workers:

	FY (2023-24)			PY (2022-23)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health and Safety	0	0	-	0	0	-

The Company has not received any complaint on “Health and Safety” and “Working Conditions” in FY 2023-24 and FY 2022-23.

14. Assessments for the year:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

No action was required to be taken as the Company did not have any Loss Time Injuries during the reporting period. Effectiveness of Corrective actions deployment is being checked during safety Audits.

Leadership Indicators

1. Details of life insurance or any compensatory package extended by the Company in the event of death of employees and workers:

The Company provides life insurance benefit to its employees/workers wherein in case of death, life insurance benefit is provided to the family/nominee.

2. The measures undertaken by the Company to ensure that statutory dues have been deducted and deposited by the value chain partners.

Adherence to the applicable statutory provisions including payment and deduction of statutory dues is incorporated in the contract entered with the value chain partners. The Company makes sure that all the relevant clauses dealing with statutory compliance are validated as one of the terms and conditions in the validated and honored by both sides.

3. The number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees / workers		No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY (2023-24)	PY (2022-23)	FY (2023-24)	PY (2022-23)
Employees	0	0	0	0
Workers	0	0	0	0

4. The Company’s transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

The Company currently does not provide any transition assistance programs.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100%
Working Conditions	

The Company is dedicated to developing the supply chain that co-exist and co-prosper with local society by actively promoting sustainable initiatives.

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all their stakeholders.

Essential Indicators

1. The processes followed for identifying key stakeholder groups of the Company.

Key Stakeholders are identified based on the influence they have on the Company and its strategic decision making. Subsequent to this, the identified lot is grouped based on the needs, the nature of influence, the role in the overall corporate structure. Thus, the Company engages with them to develop strategies to manage and mitigate any potential risks or negative impacts.

2. Stakeholder groups identified as key for the entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable and Marginalized Group	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, others)	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	1. Business plan communication 2. Senior leadership engagements 3. Wellness sessions 4. Training programs and onboarding sessions 5. Internal communication 6. Engagement Survey	Quarterly Need Based Regularly Regularly Regularly Annually	Business and performance updates Developing high level of management competence. Physical and mental wellbeing sessions New skills, learning and development. Exchange of Information and Activities undertaken Belongingness to the Company
Shareholders	No	- Annual General Meeting - E-Mail - Newspaper publications	Quarterly/ Annual	Company's financial performance and Corporate Governance etc.
Suppliers/Service Provider	No	- E-mail - Supplier convention - Meeting with concerned functions	As and when required/ Annual	Process refresh, engagement
Government Agencies/ Tax Authorities	No	- Press Releases, - Quarterly Results, - Annual Reports, - Sustainability Reports, - Stock Exchange filings	As stipulated	Reporting requirements, Statutory Compliances and resolution of issues
Dealers/ Distributors	No	- Email, sms, advertisement, website, social media, physical meetings, dealer convention	Regular	Customer satisfaction
Communities	Yes	Community interactions	Regular	CSR interventions

Leadership Indicators

1. The processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is such feedback from such consultations provided to the Board.

The Company has set up various committees on economic and ESG governance and performance monitoring. These committees are the CSR Committee, Risk Management Committee comprising of Independent Director as a member of the Committee, Stakeholder's Relationship Committee chaired by the Independent Director, Investor cell etc.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the input received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. Based on the discussion with local Communities and local Administration, the Company plans CSR interventions. A periodic inspection/ progress vis-à-vis the plan is conducted to undertake further activities. Based on periodic communication with the Works Committee, comprising of Members from Shop Floor area, the Company devise the procedures and policies for upkeeping of facilities meant for them.

3. Instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company did not identify any stakeholders group as vulnerable/marginalized.

PRINCIPLE 5: Businesses should respect and promote Human Rights.

1. Employees and workers who have been provided training on human rights issues and policy(ies):

Category	FY (2023-24)			PY (2022-23)		
	Total (A)	No. of employees/ workers covered (B)	% (B/ A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	403	403	100%	412	332	80.58%
Other than permanent	109	109	100%	73	62	84.93%
Total Employees	512	512	100%	485	394	81.24%
Workers						
Permanent	339	339	100%	342	342	100%
Other than permanent	297	297	100%	353	353	100%
Total Workers	636	636	100%	695	695	100%

2. Details of minimum wages paid to employees and workers:

Category	FY (2023-24)					PY (2022-23)				
	Total (A)	Equal to MinimumWage		More than Minimum Wage		Total (D)	Equal to MinimumWage		More than MinimumWage	
		No.(B)	% (B /A)	No.(C)	% (C /A)		No. (E)	%(E /D)	No.(F)	%(F /D)
Employees										
Permanent										
Male	378	-	-	378	100%	387	-	-	387	100%
Female	25	-	-	25	100%	25	-	-	25	100%
Other	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	109	-	-	109	100%	353	-	-	353	100%
Female	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Workers										
Permanent										
Male	322	-	-	322	100%	325	-	-	325	100%
Female	17	-	-	17	100%	17	-	-	17	100%
Other	-	-	-	-	-	-	-	-	-	-
Other than Permanent										
Male	297	-	-	333	100%	353	-	-	353	100%
Female	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages

a. Median remuneration/wages (Rs.)

	Male		Female		Other	
	Number	Median remuneration/ salary/ wages of respective category (monthly)	Number	Median remuneration/ salary/wages of respective category (monthly)	Number	Median remuneration/ salary/ wages of respective category (monthly)
Board of Directors (BoD)*	3	18,32,223	-	-	-	-
Key Managerial Personnel	3	18,32,223	1	2,41,544	-	-
Employees other than Bod and KMP#	375	Rs 95,119	24	Rs 72,188	-	-
Workers##	322	48,643	17	40,025	-	-

* Includes Managing Director and Whole-time Directors.

Includes employees who have served for the full year, for median remuneration and excludes workers.

Includes workers who have served for the full year, for median remuneration.

b. Gross wages paid to females as % of total wages paid by the entity:

FY (2023-24)	PY (2023-24)	PY (2022-23)
Gross wages paid to females	26970115.00	24040196.00
Total wages	1063200000.00	1036800000.00
Gross wages paid to females (Gross wages paid to females as % of total wages)	2.54%	2.32%

4. Focal point (Individual/ Committee) responsible for addressing Human Rights impacts or issues caused or contributed to by the business?

The Company has in place a robust whistle-blower mechanism called "Business Ethics Proposal Line (BEPL)". The employees are encouraged to raise their concerns, if any, first with their reporting heads and in case no action is taken at this level, the issue may be escalated to BEPL. The Internal Complaint Committee further safeguards the rights of female employees against any sexual discrimination issues.

5 Internal mechanisms in place to redress grievances related to Human Rights issues?

Employees may raise concerns directly to any representative of Management, Human Resources department or Legal department. The Company has zero tolerance for any form of retaliation, retribution or dismissal. In addition, the BEPL provides both employees and stakeholders to report suspected violations of the Code of Conduct or applicable laws. Any reported concern is forwarded to the Business Ethics Committee (BEC) for further assessment and review. Once the investigation is complete and if the concern is substantiated, the BEC reports the finding to the Management for further corrective or disciplinary action.

6. Number of Complaints on the following made by employees and workers:

	FY (2023-24)			PY (2022-23)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	-	NIL	NIL	-
Discrimination at workplace	NIL	NIL	-	NIL	NIL	-
Child Labour	NIL	NIL	-	NIL	NIL	-
Forced Labour/Involuntary Labour	NIL	NIL	-	NIL	NIL	-
Wages	NIL	NIL	-	NIL	NIL	-
Other human rights related issues	NIL	NIL	-	NIL	NIL	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
i) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
ii) Female employees / workers	42	43
iii) Complaints on POSH as a % of female employees / workers	0.00%	0.00%
iv) Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The BEPL policy expressly provides that no discrimination or harassment shall take place against the complainant.

9. Do Human Rights requirements form part of your business agreements and contracts?

The Company includes human rights requirements as a part of its business agreements and contracts.

10. Assessments for the year:

	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	NIL
Forced/involuntary labour	NIL
Sexual harassment	NIL
Discrimination at workplace	NIL
Wages	NIL
Others	NIL

11. Details of corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above. Not applicable

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing Human Rights grievances/complaints.

Not applicable as no grievances / complaints were received on Human Rights.

2. Details of the scope and coverage of any Human Rights due diligence conducted.

No due diligence was conducted during the reporting period.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the Company has the necessary infrastructure in place to make the workplaces accessible to differently abled employees and visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual harassment	100% (Part Suppliers)
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not applicable

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

Parameter	FY 2023-2024 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From non-renewable sources		
Total electricity consumption (D)	9,750 GJ	13,545 GJ
Total fuel consumption (E)	36,717 GJ	43,341 GJ
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	46,467 GJ	56,886 GJ
Total energy consumed (A+B+C+D+E+F)	46,467 GJ	56,886 GJ
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.47	0.46
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.47	0.46
Energy intensity in terms of physical output	0.22 GJ/Unit Production	0.18 GJ/Unit Production

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, the assessment was carried out by E&Y during their internal audit function.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company does not have any facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Details of the following disclosures related to water:

Parameter	FY (2023-24)	PY (2022-23)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	66,452	79,740
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	66,452	79,740
Total volume of water consumption (in kilolitres)	66,452	79,740
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.67	0.64
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.67	0.64
Water intensity in terms of physical output	0.31 KL/Unit production	0.25 KL/Unit production

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes: Water audit done by Accredited Water Auditing Agency; M/s Laghu Udyog Bharati, New Delhi.

4. Details related to water discharged:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-

- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

The Company does not discharge water outside its factory. The wastewater is treated in Effluent treatment plant & Sewage treatment plant. Further the treated ETP water is utilized in horticulture, in toilet flushing and STP water is used in horticulture and processed through Ultra Filtration plant to be supplied to Industrial RO plant.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? Yes. The Company arranged water audit by M/s Laghu Udyog Bharati, New Delhi.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company has installed highly efficient wastewater treatment systems (STP and ETBs) in its manufacturing facility. In line with Zero Liquid Discharge (ZLD) principle, the Company's manufacturing facility is recycling treated wastewater for gardening as well as flushing purposes thus moving towards ZLD.

6. Details of air emissions (other than GHG emissions):

Parameter	Please specify unit	FY (2023-24)	PY (2022-23)
NO _x	mg/NM3 (max)	377	150
SO _x	mg/NM3 (max)	109	86
Particulate matter (PM)	mg/NM3 (max)	299	368
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others (Quantity of Emission)	Tonnes/year	54161.91	71052.10

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes, regular testing is being carried out through M/S Enviro International (MoEF approved lab) for environment parameters.

7. Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	MT-CO ₂	2,082	2,462
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	MT-CO ₂	1,866	2,717
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations in Lakh)	MT-CO ₂ /Rs. in Lakh	0.40	0.42
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	MT-CO ₂ /Rs. in Lakh	0.40	0.42
Total Scope 1 and Scope 2 emission intensity in terms of physical output	MT-CO ₂ / Unit production	0.019	0.016

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. Yes. Audit was conducted by E&Y during its internal audit process.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes, in the year 2023 -2024, the themes are being implemented to reduce the scope1 & scope 2 emissions by reduction in power and fuel consumption as per the following details:

- Installation of energy efficient pumps in pretreatment line of Paint department.
- Reduction in the compressed air consumption of the VMC machines by circuit modification.
- Reduction in energy consumption by providing the insulation on heated barrel of Injection Moulding machine.
- Installation of energy efficient pump in ETP.
- Reduction in the energy consumption of lights by installation of LDR in head office area.
- At STP area a VFD is installed in a pump to conserve energy.

9. Details related to waste management.

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	201	204
E-waste (B)	3.29	1.27
Bio-medical waste (C)	0.01	0.01
Construction and demolition waste (D)	-	-
Battery waste (E)	0.00	3.68
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	37	63
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	952	1,348
Total (A+B + C + D + E + F + G+ H)	1,194	1,620

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Current Financial Year)
Waste intensity per rupee of turnover (Total waste generated/ Revenue from operations in Lakhs)	0.012	0.013
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.012	0.013
Waste intensity in terms of physical output	0.0056 MT/unit production	0.0051 MT/unit production
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	1,160	1,563
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	1,160	1,563
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	21	36
(ii) Landfilling	09	22
(iii) Other disposal operations	-	-
Total	30	58

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, regular testing is being carried out through M/S Enviro International (MoEF approved lab) for hazardous waste.

10. Strategy to reduce and manage hazardous and toxic chemicals.

The Company maintains a record of all potential environmental, safety, health, and business threats in a risk register. These risks are evaluated and measures are defined to eliminate, reduce, and mitigate risk to a level that is "as low as reasonably possible," which is continuously monitored. Each year, the Risk

Management Officer reviews and approves the register. Hazardous waste produced by the manufacturing facility is sent to the entities approved by the State Pollution Control Board or Central Pollution Control Board for disposal.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, specify details:

No

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current Financial Year:

No projects were implemented in FY 2023-24 which required environmental impact assessment to be undertaken.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder.

The Company is compliant with all applicable environmental laws / regulations / guidelines in India.

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

We are the critical water zone area .

For each facility / plant located in areas of water stress, information is as under:

(i) Name of the area: Gautam Buddh Nagar

(ii) Nature of operations: Manufacturing of internal combustion engine-based Power Products

(iii) Water withdrawal, consumption and discharge :

Parameter	FY 2023-2024 (Current Financial Year)	FY 2022-2023 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	66,452	79,740
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	66,452	79,740
Total volume of water consumption (in kilolitres)	66,452	79,740
Water intensity per rupee of turnover (Water consumed / turnover Rs. In Lakh)	0.67	0.64
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-

- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Water audit was done by M/s Laghu Udyog Bharati, New Delhi.

2. Details of total Scope 3 emissions and its intensity is given below:

Whether total Scope 3 emission and its intensity is applicable to the Company ? : **No**

Currently the Company is focusing on CO₂ reduction through various activities including activities undertaken with the suppliers contributing to 70% of Company's total purchasing.

No independent assessment/evaluation/assurance has been carried out in the reporting period.

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

4. Details of the specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, as well as outcome of such initiatives, are as under:

Reduction in water consumption by installation of OlerTrap Flush Free & Odor Free Urinal Kit consisting of a durable and efficient design in the restrooms – Outcome of the initiative – 200 KL/Year.

5. Does the entity have a business continuity and disaster management plan?

The Company has a robust Business Continuity Plan, Business risk templates which is reviewed by management as per set frequency. Taking actions for all the identified risk within the set time frame.

6. Significant adverse impact to the environment, arising from the value chain of the entity and mitigation or adaptation measures taken by the entity in this regard.

No significant impact was noted during the year under review.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts:

Suppliers contributing to our 70% of purchasing amount (parts) are assessed on yearly basis for environmental impact, specifically for reduction of CO₂.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

1. a. Number of affiliations with trade and industry chambers/ associations. : None

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to: Not applicable.

2. Details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

There were no cases of anti-competitive conduct during the reporting period.

Leadership Indicators

1. Details of public policy positions advocated by the entity: None

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current Financial Year.

Since the CSR obligation of the Company is less than the prescribed limit, no assessments were necessitated during the reporting period.

2. Information on project(s) for which ongoing Rehabilitation and Resettlement (RandR) is being undertaken by your entity, in the following format:

No rehabilitation and resettlement were undertaken by the entity during reporting period.

3. Describe the mechanisms to receive and redress grievances of the community.

Any community member can raise complaints on Company's designated E-mail address at Company's website, which is monitored by the Senior Authority of the Company.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY (2023-24)	PY (2022-23)
Directly sourced from MSMEs/ small producers	61.08%	60.15%
Sourced directly from within the district and neighboring districts	78.94%	76.75%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24 Current Financial Year	FY 2022-23 Previous Financial Year
Rural	-	-
Semi-urban	-	-
Urban	-	-
Metropolitan	100%	100%

Leadership Indicators

1. **Details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Not applicable

2. **Information on CSR projects undertaken by the Company in designated aspirational districts as identified by government bodies:** No CSR project has been undertaken by the Company in designated aspirational districts.

3. (a) **Details of Preferential Procurement Policy where the Company gives preference to purchase from suppliers comprising marginalized/vulnerable groups:**

The Company does not have a preferential procurement policy.

(a) From which marginalized /vulnerable groups do you procure? NA

(b) What percentage of total procurement (by value) does it constitute? NA

4. **Details of the benefits derived from and shared from the intellectual properties owned or acquired by the Company (in the Financial Year 2023-24), based on traditional knowledge:**

The Company does not have (acquired or owned) Intellectual Property Rights.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.** Not applicable

6. **Details of beneficiaries of CSR Projects:**

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Education (basic infrastructure) across its factory location in Greater Noida	425	100%
Pond revival and green zone development for overall sustainability and progression in local villages	5000	100%

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1. **Describe mechanisms in place to receive and respond to consumer complaints and feedback:**

In order to address any customer issues with the Company's products and services, the Company has developed a service request monitoring portal which captures and ensures resolution of any type of customer dissatisfaction in a timely and qualitative manner.

2. **Turnover of products and / services as a percentage of turnover from all products/services that carry information about**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. **Number of consumer complaints in respect of the following**

	FY (2023-24)		Remark	PY (2022-23)		Remark
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other (through consumer courts)	2	7	-	2	6	-

4. **Details of instances of product recalls on account of safety issues**

	Number	Reasons for recall
Voluntary recalls	NA	NA
Forced recalls	NA	NA

5. Framework/ policy on cyber security and risks related to data privacy and web-link of the policy :

The Company has a range of measures to manage this risk, including the use of IT Security Policy and procedures, security protection tools, continuous threat monitoring and incident response plans. The framework/policy is available on the Company’s intranet and is accessible to all its employees.

6. Corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

The Company did not face any instances of breach of cyber security or data of its customers during the reporting period.

7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact: NIL
- b. Percentage of data breaches involving personally identifiable information of customers: NIL

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information on products and services is available on the Company’s website under www.hondaindiapower.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

The Company adheres to the relevant regulatory requirements by disclosing information on the safe and responsible usage of products in the user manual and warranty booklet. The customer is also educated on the safe and responsible usage of the product at the time of pre-delivery inspection.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The Company is not providing any Essential Services directly.

4. Brief Details of display of product information on the product over and above what is mandated as per local laws:

The products displays the do’s and don’ts while operating the same.

5. Details of survey with regard to consumer satisfaction relating to the major products / services of the Company, significant locations of operation of the Company or the Company as a whole:

The Company periodically conducts customer satisfaction survey in different parts of the country.

Annexure-K to Boards’ Report

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

1	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;	CEO	20x
		Director	19x
		CFO	18x
		CS	2.5x
2	The percentage increase in remuneration of each director; Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year;	CEO	Japanese expat, salary not increased
		Director	Japanese expat, salary not increased
		CFO	8%
		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 8%. 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 742	
5	Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increase made in the salaries of Employees other than managerial personnel, in the financial year was 9%. Increase in salaries of managerial personnel was made at 8%. The average increase every year is an outcome of the performance of Company and Company’s reward philosophy.	
6	Affirmation that remuneration is as per the remuneration policy of the Company	It is affirmed that remuneration is as per the remuneration policy of the Company	

Independent Auditor’s Report

To the Members of Honda India Power Products Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Honda India Power Products Limited (the “Company”) which comprise the balance sheet as at 31 March 2024, 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 material accounting policies and other explanatory information.

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 (“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 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 on the financial statements.

Key Audit Matter(s)

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	
See Note 2(xi) and 16 to financial statements	
The key audit matter	How the matter was addressed in our audit
<p>Revenue from sale of products to customers including related parties</p> <p>The Company’s revenue is derived primarily from sale of portable gensets, water pumps, general purpose engines, lawn mowers, brush cutters and tillers (“goods”). Revenue from the sale of goods is recognised upon satisfaction of performance obligation which is at a point in time when the control of the goods is transferred to the customer. Revenue is a key performance metric which contains significant related party transactions.</p> <p>Revenue recognition has been identified as a key audit matter as there could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognized before the control of the goods has been transferred to the customer.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> We assessed the appropriateness of Company’s accounting policies for revenue recognition by comparing with Ind AS 115 ‘Revenue from contracts with customers’. We evaluated the design, implementation and operating effectiveness of key internal controls over recognition of revenue. We performed substantive testing by selecting samples (using statistical sampling) of revenue transactions recorded during the year by testing the underlying documents which included sales invoices, shipping documents and proof of deliveries, to assess whether these are recognised in the appropriate period in which control of the goods is transferred to the customer. We performed analytical procedures on variance of current year revenue in comparison to previous year revenue and where appropriate conducted further testing. We tested, on a sample basis, (using statistical sampling), specific revenue transactions recorded before and after the financial year-end date to assess whether revenue is recognised in the financial period in which control of the goods is transferred to the customer. For revenue from sale of goods to the related parties, we verified the Company’s analysis in relation to arm’s length assessment and involved our internal tax specialists. We tested journal entries on revenue recognised during the year, by considering specified risk- based criteria, to identify unusual or irregular items. We assessed the adequacy of disclosure made in the financial statements with respect to revenue recognised during the year as required by Ind AS 115 ‘Revenue from contracts with customers’.

Other Information

The Company’s Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report, but does not include the financial statements and auditor’s report(s) 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.

Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are 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 state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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.

In preparing the financial statements, the Management and Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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.

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.

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.

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

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. 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 except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. 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 B".
- B. 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:
- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 31 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 37(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note 37(v) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 11(b) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

- f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the respective software.
 - i. The feature of recording audit trail (edit log) facility was not enabled at the application level and the database level to log any direct data changes of the accounting software used for maintaining general ledger for the period from 1 April 2023 to 28 January 2024 except for customer master and vendor master where it was enabled from 1 April 2023.
 - ii. Further, for the accounting software used for maintaining general ledger audit trail (edit log) facility was not enabled at application level and the database level for full year in relation as purchase, production and inventory of such accounting software.
 - iii. the accounting software used for maintaining payroll related information did not have the feature of audit trail (edit log) facility except for employee master and bank data.

Further, for the periods where audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered during the course of our audit.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rajesh Arora
Partner
Membership No.: 076124
ICAI UDIN: 24076124BKHBL05142

Place: New Delhi
Date: 20 May 2024

Annexure A to the Independent Auditor’s Report on the Financial Statements of Honda India Power Products Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 (“the Act”) are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable, except as mentioned below:

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Income-Tax, Sales tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in Lakhs)	Amount deposited under protest (Rs in lakhs)	Period to which the amount relates	Forum where dispute is pending
The Customs Act, 1962	Customs Duty	7.11	7.11	2012-14	Commissioner of Customs (Appeals) Mumbai
The Customs Act, 1962	Customs Duty	22.76	22.76	2014-15	Customs Excise & Service Tax Appellate Tribunal, Chennai
The Customs Act, 1962	Customs Duty	1.36	1.36	2015-16	Commissioner of Customs (Appeals), Chennai
The Customs Act, 1962	Customs Duty	11.06	0.83	2019-20	Customs Excise & Service Tax Appellate Tribunal, Chennai
The Customs Act, 1962	Customs Duty	1.02	0.27	2018-19	Commissioner of Customs (Appeals), Chennai
The Customs Act, 1962	Customs Duty	398.18	29.86	2018-22	Customs Excise & Service Tax Appellate Tribunal, Allahabad
The Customs Act, 1962	Customs Duty	1,731.53	1,731.53	2018-23	Commissioner of Customs (Appeals), Noida
The Customs Act, 1962	Customs Duty	0.26	-	2022-23	Assistant Commissioner of Customs
Various Sales Tax Act	Sales Tax	3.55	0.89	1999-00	Honable High Court, Uttaranchal
Various Sales Tax Act	Sales Tax	21.12	-	2000-01	WBCT Appellate & revision board
Various Sales Tax Act	Sales Tax	0.15	-	2002-03	Deputy Commissioner Commercial Taxes
Various Sales Tax Act	Sales Tax	1.19	-	2003-04	Deputy Commissioner (Appeals), Bhopal
Various Sales Tax Act	Sales Tax	5.96	-	2004-05	Joint Commissioner (Appeals), Rudrapur
Various Sales Tax Act	Sales Tax	4.67	1.48	2007-08	Deputy Commissioner (Appeals), Earnakulam
Various Sales Tax Act	Sales Tax	1.78	0.18	2007-08	Sales Tax Appellate Authority, Bhopal
Various Sales Tax Act	Sales Tax	1.93	0.71	2008-09	Deputy Commissioner (Appeals), Earnakulam
Various Sales Tax Act	Sales Tax	22.83	-	2009-10	Deputy Commissioner
Various Sales Tax Act	Sales Tax	0.74	-	2012-13	Deputy Commissioner (Appeals)
Various Sales Tax Act	Sales Tax	63.49	20.32	2011-12	Deputy Commissioner (Appeals), Raipur
Various Sales Tax Act	Sales Tax	22.43	7.19	2012-13	Deputy Commissioner (Appeals), Raipur
Various Sales Tax Act	Sales Tax	14.53	14.53	2017-18	VAT officer, Bhopal
Various Sales Tax Act	Sales Tax	28.78	-	2017-18	Assistant Commissioner, Uttar Pradesh
Various Sales Tax Act	Sales Tax	183.17	18.31	2015-16	Deputy Commissioner (Appeals), Raipur
Various Sales Tax Act	Sales Tax	112.70	11.27	2016-17	Deputy Commissioner (Appeals), Raipur
Various Sales Tax Act	Sales Tax	58.45	-	2017-18	Deputy Commissioner (Appeals), Noida
Various Sales Tax Act	Sales Tax	5.41	-	2019-20	Assistant Commissioner (Appeals), Raipur
Various Sales Tax Act	Sales Tax	1.96	-	2017-18	Assistant Commissioner (Appeals), Bangalore
Income Tax Act, 1961	Income Tax	3,152.50	-	2018-19	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	3,243.99	-	2017-18	Income Tax Appellate Tribunal (ITAT)
Income Tax Act, 1961	Income Tax	1,696.55	327	2016-17	Commissioner of Income Tax Appeals (CIT)
Income Tax Act, 1961	Income Tax	625.19	127	2015-16	Commissioner of Income Tax Appeals (CIT)
Income Tax Act, 1961	Income Tax	1,999	400	2014-15	Commissioner of Income Tax Appeals (CIT)
Income Tax Act, 1961	Income Tax	1,543.31	1,021	2013-14	Commissioner of Income Tax Appeals (CIT)
Income Tax Act, 1961	Income Tax	48	42	2011-12	Commissioner of Income Tax Appeals (CIT)
Income Tax Act, 1961	Income Tax	18.59	-	2007-08	Commissioner of Income Tax Appeals (CIT)

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a)

of the Order is not applicable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.
- (b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the Act.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rajesh Arora
Partner
Membership No.: 076124
ICAI UDIN:24076124BKHBL05142

Place: New Delhi
Date: 20 May 2024

Annexure B to the Independent Auditor's Report on the financial statements of Honda India Power Products Limited for the year ended 31 March 2024**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act****(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

We have audited the internal financial controls with reference to financial statements of Honda India Power Products Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.

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 with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

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 include 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

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

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Rajesh Arora
Partner
Membership No.: 076124
ICAI UDIN:24076124BKHBL05142

Place: New Delhi
Date: 20 May 2024

Balance sheet as at March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

	Notes	March 31, 2024	March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	9,128	8,504
Right-of-use assets	3(a)	406	432
Capital work-in-progress	3(b)	722	868
Other intangible assets	4	237	185
Intangible assets under development	4(a)	16	56
Financial assets			
i. Other financial assets	5(d)	3,715	1,347
Deferred tax assets (net)	6	1,043	1,457
Non-current tax assets (net)	7	4,453	4,671
Other non-current assets	8	2,563	542
Total non-current assets		22,283	18,062
Current assets			
Inventories	9	14,093	16,695
Financial assets			
i. Trade receivables	5(a)	5,074	7,084
ii. Cash and cash equivalents	5(b)	10,606	11,465
iii. Bank balances other than cash and cash equivalents	5(c)	43,474	35,382
iv. Other financial assets	5(d)	1,286	789
Other current assets	10	2,377	3,537
Total current assets		76,910	74,952
Total assets		99,193	93,014
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(a)	1,014	1,014
Other equity			
Reserves and surplus	11(b)	80,197	72,660
Total equity		81,211	73,674
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease liabilities	3(a)	15	78
Provisions	14	86	120
Total non-current liabilities		101	198
Current liabilities			
Financial liabilities			
i. Trade payables	12(a)		
-Total outstanding dues of micro enterprises and small enterprises		1,300	1,154
-Total outstanding dues of creditors other than micro enterprises and small enterprises		8,693	8,321
ii. Lease liabilities	3(a)	32	3
iii. Other financial liabilities	12(b)	2,276	1,644
Contract liabilities	13	1,495	1,453
Provisions	14	2,386	4,319
Other current liabilities	15	1,699	2,248
Total current liabilities		17,881	19,142
Total liabilities		17,982	19,340
Total equity and liabilities		99,193	93,014

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

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

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

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

Rajesh Arora
Partner
Membership No. 076124

Sunita Ganjoo
Company Secretary

Shigeki Iwama
Ravi Prakash Mehrotra
Vinay Mittal

DIN: 10075458 CMD and President & CEO
DIN: 06823899 Director
DIN: 05242535 Whole time director & CFO

Place : New Delhi
Date : 20th May 2024

Statement of Profit and Loss for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from operations	16	98,907	1,24,629
Other income	17	4,142	1,917
Total income		1,03,049	1,26,546
Expenses			
Cost of materials consumed	18	49,667	65,319
Purchases of stock in trade		10,136	9,755
Changes in inventories of finished goods, work in progress and stock-in-trade	19	274	(29)
Employee benefits expense	20	12,828	12,706
Finance costs	21	44	58
Depreciation and amortisation expense	22	2,022	2,078
Other expenses	23	16,103	23,369
Total expenses		91,074	1,13,256
Profit before tax		11,975	13,290
Exceptional Items	31(vii)	398	(1,750)
Profit after exceptional items before tax		12,373	11,540
Tax expense	24		
- Current tax		2,735	3,674
- Deferred tax		417	(643)
Total tax expense		3,152	3,031
Profit for the year		9,221	8,509
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurements of post-employment benefit obligations	25	(13)	(406)
Income tax relating to this item		3	104
Other comprehensive income for the year, net of tax		(10)	(302)
Total comprehensive income for the year		9,211	8,207
Earnings per equity share (face value of Rs.10 each)			
Basic		90.91	83.89
Diluted		90.91	83.89

The above statement of profit and loss should be read in conjunction with the accompanying notes to financial statements.

This is the Statement of profit and loss referred to in our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

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

Rajesh Arora
Partner
Membership No. 076124

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Ravi Prakash Mehrotra
Vinay Mittal

DIN: 10075458 CMD and President & CEO
DIN: 06823899 Director
DIN: 05242535 Whole time director & CFO

Place : New Delhi
Date : 20th May 2024

Statement of changes in equity for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

A Equity share capital

	Notes	Amount
As at April 1, 2022		1,014
Changes in equity share capital	11(a)	-
As at March 31, 2023		1,014
Changes in equity share capital	11(a)	-
As at March 31, 2024		1,014

B Other equity

	Reserves and surplus			Total
	Securities premium	General reserve	Retained earnings	
Balance at April 1, 2023	396	12,087	60,177	72,660
Profit for the year	-	-	9,221	9,221
Other comprehensive income				
Remeasurements of post-employment benefit obligations(net)	-	-	(10)	(10)
Total comprehensive income for the year	-	-	9,211	9,211
Transactions with owners in their capacity as owners:				
Dividend paid	-	-	(1,674)	(1,674)
	-	-	(1,674)	(1,674)
Balance at March 31, 2024	396	12,087	67,714	80,197
Balance at April 1, 2022	396	12,087	53,491	65,974
Profit for the year	-	-	8,509	8,509
Other comprehensive income				
Remeasurements of post-employment benefit obligations(net)	-	-	(302)	(302)
Total comprehensive income for the year	-	-	8,207	8,207
Transactions with owners in their capacity as owners:				
Dividend paid	-	-	(1,521)	(1,521)
	-	-	(1,521)	(1,521)
Balance at March 31, 2023	396	12,087	60,177	72,660

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

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

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

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

Rajesh Arora
Partner
Membership No. 076124

Sunita Ganjoo
Company Secretary

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Ravi Prakash Mehrotra
Vinay Mittal

DIN: 10075458 CMD and President & CEO
DIN: 06823899 Director
DIN: 05242535 Whole time director & CFO

Place : New Delhi
Date : 20th May 2024

Statement of cash flows for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
A. Cash flow from operating activities		
Profit before tax	11,975	13,290
Adjustments for:		
Depreciation and amortisation expense	2,022	2,078
Net gain on disposal of property, plant and equipment and intangible assets	(33)	(95)
Interest income on bank deposits	(3,290)	(1,648)
Finance costs	44	58
Net unrealised exchange gain	(265)	(44)
Provisions / liabilities written back to the extent no longer required	(99)	(7)
Bad debts written off	3	-
Loss allowance for doubtful advances	-	15
Provision created for slow moving inventory	126	30
Advances written off	3	-
Operating profit before working capital changes	10,486	13,677
Decrease in trade receivables	2,075	1,529
Decrease in inventories	2,475	914
Increase/(Decrease) in trade payables	534	(2,284)
(Increase) in other financial assets	(5)	(8)
(Increase)/Decrease in other non current assets	(1,709)	218
Decrease in other current assets	1,136	4,450
(Decrease)/Increase in provisions	(1,979)	2,258
Increase/ (Decrease) in other financial liabilities	178	(33)
Increase in contract liabilities	41	229
(Decrease)/Increase in other current liabilities	(549)	395
Cash generated from operations	12,683	21,345
Income taxes paid (net of refunds and interest received on Income tax refund)	(2,517)	(3,862)
Exceptional Items	398	(1,750)
Net cash from operating activities - Total (A)	10,564	15,733
B. Cash flows from investing activities		
Payments for property, plant and equipment	(2,195)	(2,819)
Payments for intangibles assets	(124)	(139)
Proceeds from sale of property, plant and equipment and intangibles	94	117
Investment in fixed deposits	(45,156)	(29,282)
Proceeds from maturity of fixed deposits	34,697	16,053
Interest received on fixed deposits	2,817	1,084
Net cash used in investing activities - Total (B)	(9,867)	(14,986)
C. Cash flows from financing activities		
Dividend paid to company's shareholders	(1,673)	(1,521)
Finance costs	(37)	(44)
Lease payments	(44)	(55)
Net cash used in financing activities - Total (C)	(1,754)	(1,620)
D. Net decrease in cash and cash equivalents (A)+(B)+(C)	(1,057)	(873)
Cash and cash equivalents at the beginning of the year	11,465	12,188
Effects of exchange rate changes on cash and cash equivalents	198	150
Cash and cash equivalents at the end of the year	10,606	11,465
<i>Reconciliation of cash and cash equivalents as per the cash flow statement</i>		
Cash and cash equivalents as per above comprise of the following [Refer note 5(b)]		
Balances with banks	1,461	2,859
Deposits with original maturity of less than three months	9,005	8,290
Cheques in hand	140	315
Cash in hand	0	1
Balances per statement of cash flows	10,606	11,465
E. Non-cash financing and investing activities		
- Acquisition of right-of-use assets [Refer note 3(a)]	17	-

Note

The above statement of cash flows should be read in conjunction with the accompanying notes to financial statements.
This is the statement of cash flows referred to in our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

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

Rajesh Arora

Partner

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Vinay Mittal

DIN: 10075458

DIN: 06823899

DIN: 05242535

CMD and President & CEO

Director

Whole time director & CFO

Place : New Delhi

Date : 20th May 2024

1. Company overview

Honda India Power Products Limited is a public company domiciled and headquartered in India. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is primarily engaged in manufacturing and marketing the portable gensets, water pumps, general purpose engines, lawn mowers, brush cutters, tillers, and marine engines. The Company caters to both domestic and international markets. The registered office of the Company is 409, DLF Tower B, Jasola Commercial Complex, New Delhi-110025 and Corporate Identification Number of the Company is L40103DL2004PLC203950.

2. Material accounting policies

i) Basis of preparation of financial statements

(i) Compliance with Indian Accounting Standards

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2024 were approved and authorized for issue by the Board of Directors on 20 May 2024.

(ii) Basis of measurement

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) Recent issued accounting pronouncements

As on 31 March 2024, there are no new standards or amendments to the existing standards applicable to the company which have been notified by Ministry of Corporate Affairs.

ii) Foreign currency transaction

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.

iii) 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. Revision to estimates are recognized prospectively.

a) Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Revenue recognition - In revenue arrangements where more than one good or service is provided to the customer, transaction price is allocated between the goods and services using relative standalone selling price. The Company generally determines the standalone selling price of individual elements based on a cost plus a reasonable margin. Revision to the estimates of these standalone selling price may significantly affect the allocation of total consideration among the individual elements. Refer note 16 of financial statements.
- Lease term: The Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The discount rate is generally based on the incremental borrowing rate, to determine the incremental borrowing rate, the Company uses recent third-party financing options received by the Company, adjusted to lease term etc., specific to the lease being evaluated. Refer note 3(a) of financial statements.

b) Assumptions and estimation uncertainty:

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes.

- Estimated useful life of property, plant and equipment and intangible asset – The annual depreciation and amortisation charge is sensitive to the estimated lives allocated to each type of asset. Assets lives are assessed annually and changed where necessary to reflect current circumstances considering technological change and physical conditions of the assets concerned. Note 3
- Estimation of defined benefit obligation – Actuarial assumption, Note 25
- Estimation of provision for warranty claims – Historical warranty claim experience, Note 14
- Estimation of provision for inventory obsolescence – Historical movement of slow-moving inventory, Note 9
- Estimation of exceptional items - provision for repair of inventory and reimbursement for inventory holding cost, Note 31(vii).

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

iv) Rounding of amounts

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

v) Current – non-current classification

All assets and liabilities are classified into current and non-current as per the Company's normal operating cycle of 12 months 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.

vi) Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if 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.

Freehold land is carried at historical cost less any accumulated impairment losses, if any. All other items of property, plant and equipment (including capital work in progress) 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, estimated costs of dismantling and removing the item and restoring the place on which it is located 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 recognized 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 derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

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

Depreciation methods estimated useful lives and residual value.

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

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Block of Asset	Estimated life (Years)	As per Companies Act Schedule II
Factory Buildings	30 Years	30 Years
Non-Factory Buildings	60 Years	60 Years
Plant and equipment (Dies/Jigs and fixtures)	5 years	15 Years
Electrical Installation	10 Years	15 Years
Plant and equipment-Others	15 Years	15 Years
Office Equipment	5 years	5 years
Furniture and fixtures	8 years	10 Years
Vehicles	5 years	8 Years
Computers (Servers)	3 years	3 to 6 Years

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Freehold land is not depreciated.

The depreciation methods, assets useful lives and residual values 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.

The cost property, plant and equipment at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognized as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

vii) 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.

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the specific asset will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognised in profit or loss as incurred.

Amortisation methods and periods:

Intangible assets are amortised in the Statement of Profit and Loss over their estimated useful lives using the straight-line method, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

Intangible assets comprise technical knowhow - model fee and computer software.

The amortization rates are as follows:

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

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

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

The cost of Intangible assets at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognized as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

viii) 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 carrying amount of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the assets or CGU. 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 if there has been change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization if no impairment loss had been recognised.

ix) Inventories

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

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

Goods in transit are valued at purchase cost.

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

The proportionate amount of additional duty of customs paid on finished goods imported for trading and lying unsold as at the year-end has been included in the value of the finished goods stock.

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

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

x) 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 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, national pension scheme and employee state insurance scheme; 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. The Company has stopped the contribution to superannuation fund trust w.e.f. October 1, 2023.

- (ii) National Pension Scheme (NPS)

The Company has started fixed contribution to National Pension Scheme and is recognized as an expense in the statement of profit and loss every year

- (iii) 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

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, both determined at the start of the annual reporting period. 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, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) 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.

- (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.

(ii) **Provident Fund**

The eligible employees of the Company are entitled to receive benefits under the provident fund set up as an irrevocable trust. Both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The aggregate contributions along with interest thereon are paid at retirement, death, in capacitation 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.

Other long-term employee benefit obligations - Compensated Absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured based on independent actuarial valuation using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

xi) Revenue recognition – Revenue from Contracts with Customers

Sale of goods

Timing of recognition: 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 transaction price 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: 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 performance obligation. 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 based on relative standalone selling price of performance obligation

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. Consequently, the Company does not adjust any of the transaction prices for the time value of money.

xii) Other operating revenue:

Export incentive income

Export benefits under various schemes notified by the government are recognized when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the scheme.

xiii) Interest 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.

xiv) Financial assets

Classification

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

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

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

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

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

Measurement

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

Debt instruments

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

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

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

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

Equity instruments

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

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

Impairment of financial assets

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

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

Derecognition of financial assets:

A financial asset is derecognised only when:

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

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

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

Trade receivables

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

xv) Financial Liabilities:

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognized in the statement of profit or loss.

Financial liabilities at amortized cost

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

xvi) 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.

xvii) 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.

xviii) 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. Expected future operating losses are not provided for.

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. All the provisions are reviewed at each balance sheet date.

Warranty costs

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

xix) 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 liabilities are reviewed at each Balance Sheet date. 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.

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

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.

Deferred income tax is provided in full, 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 are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current 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.

xxi) Leases

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

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

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

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

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

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

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

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

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

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

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re measurement of the lease liability. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term unless the lease transfers ownership of the underlying asset to the Company and useful life of the underlying asset. Leasehold land is amortized on a straight-line basis over the period of lease i.e. 90 years. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

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

As a lessor

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

xxii) 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.

xxiii) 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 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, tillers and marine engines”. However, in the context of Indian Accounting Standard 108 – Operating Segments, these are considered to constitute single reportable segment.

xxiv) Earnings per share

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

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

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

xxv) 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.

xxvi) 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.

xxvii) Royalty

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

xxviii) Fair value Measurement:

(a) 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).

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.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(b) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

The management assessed that the cash and cash equivalents, trade receivables, trade payables, other bank balances, loans, security deposits, fixed deposits with banks and its interest accrued and other financial assets and liabilities approximate the carrying value due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

(c) 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.

Further information about the assumptions made in measuring fair values is included in note 26.

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Note 3: Property, plant and equipment and Capital work-in-progress (CWIP)

	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	Capital work-in-progress (CWIP)
Year ended March 31, 2023									
Gross carrying amount									
Opening gross carrying amount as on 1st April 2022	117	3,892	11,085	136	392	300	135	16,057	1,217
Additions during the year	-	67	2,063	6	183	59	42	2,420	2,071
Disposals during the year	-	(1)	(67)	(1)	(175)	(18)	(26)	(288)	(2,420)
Closing gross carrying amount	117	3,958	13,081	141	400	341	151	18,189	868
Accumulated depreciation									
Opening accumulated depreciation	-	866	6,691	87	143	142	63	7,992	-
Depreciation charge during the year	-	151	1,575	10	117	57	49	1,959	-
Disposals during the year	-	(0)	(65)	(1)	(158)	(17)	(25)	(266)	-
Closing accumulated depreciation	-	1,017	8,201	96	102	182	87	9,685	-
Net carrying amount	117	2,941	4,880	45	298	159	64	8,504	868
Year ended March 31, 2024									
Gross carrying amount									
Opening gross carrying amount as on 1st April 2023	117	3,958	13,081	141	400	341	151	18,189	868
Additions during the year	-	210	1,669	35	384	137	132	2,567	2,421
Disposals during the year	-	(2)	(538)	(1)	(3)	(8)	(10)	(562)	(2,567)
Closing gross carrying amount	117	4,166	14,212	175	781	470	273	20,194	722
Accumulated depreciation									
Opening accumulated depreciation	-	1,017	8,201	96	102	182	87	9,685	-
Depreciation charge during the year	-	154	1,483	11	108	64	62	1,882	-
Disposals during the year	-	(1)	(480)	(0)	(3)	(8)	(9)	(501)	-
Closing accumulated depreciation	-	1,170	9,204	107	207	238	140	11,066	-
Net carrying amount	117	2,996	5,008	68	574	232	133	9,128	722

(i) *Contractual obligations*

Refer to note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment, capital work-in-progress and intangible assets.

(ii) *Capital work in progress*

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

(iii) The title deeds of immovable properties (other than the immovable properties where the Company is lessee and leases agreements are duly executed in favour of the lessee) are held in the name of the Company.

Note 3(a): Right-of-use assets and lease liabilities

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

	March 31, 2024	March 31, 2023
Buildings	50	70
Leasehold land	356	362
Total Right-of use assets	406	432

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

	March 31, 2024	March 31, 2023
Lease liabilities		
Current	32	3
Non Current	15	78
Total lease liabilities	47	81

Notes to the financial statements for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

Amounts recognised in the statement of profit or loss

	March 31, 2024	March 31, 2023
Amortisation of right-of-use assets (refer note 22)		
Buildings	22	47
Leasehold land	6	6
	28	53
Interest on lease liabilities (refer note 21)	8	13
Expense relating to short-term leases (included in Rent) (refer note 23)	468	374
Total expense recognised in statement of profit or loss	504	440
Total cash outflow for leases	476	387
Additions to the right of use assets during the current financial year	17	-

The reconciliation of lease liabilities is as follows:

	March 31, 2024	March 31, 2023
Balance as at beginning of the year	81	123
Addition in lease liability during the year	17	-
Amounts recognized in statement of profit and loss as interest expense	8	13
Payment of lease liabilities	(44)	(55)
Derecognition	(15)	-
Balance as at end of the year	47	81

Contractual maturities of lease liabilities

	March 31, 2024	March 31, 2023
Not later than One year	32	3
Later than One year but not later than five years	15	78
Later than 5 years	-	-
Balance as at end of the year	47	81

Changes in profit due to Ind AS 116 (Leases) for the year ended March 31, 2024

	March 31, 2024	March 31, 2023
Decrease in rent expense	44	55
Increase in finance cost	(8)	(13)
Increase in depreciation and amortisation expense	(22)	(47)
Net increase/(decrease) in profit before tax	14	(5)

*Weighted average lessee's incremental borrowing rate applied to lease liabilities is 9.18%p.a. (March 31, 2023: 10.90%p.a.).

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

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

- (i) Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- (ii) Accounting for operating leases with a remaining lease term of less than 12 months as short-term leases.
- (iii) Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

Note 3(b): Capital Work-in-Progress (CWIP)

	March 31, 2024	March 31, 2023
Carrying amount of capital work in progress (CWIP)	722	868
Total	722	868

Notes to the financial statements for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

(a) Ageing of CWIP:

Project in Progress	Amounts in Capital Work-in-progress for				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
As at March 31, 2024	722	-	-	-	722
As at March 31, 2023	849	19	-	-	868

(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost comparable to its original plan:

Particulars	To be completed in				Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years	
As at March 31, 2024					
Projects in Progress					
(i) Plant & Machinery	573	-	-	-	573
(ii) Building	4	-	-	-	4
(ii) Office Equipment	3	-	-	-	3
Total	580	-	-	-	580
As at March 31, 2023					
Projects in Progress					
(i) Plant & Machinery	792	-	-	-	792
(ii) Building	72	-	-	-	72
(ii) Office Equipment	4	-	-	-	4
Total	868	-	-	-	868

Note 4: Other intangible assets

	Technical knowhow - Model fees	Software	Total	Intangible assets under development
Year ended March 31, 2023				
Gross carrying amount				
Opening gross carrying amount	397	609	1,006	52
Additions during the year	-	135	135	139
Disposals/transfers during the year	-	-	-	(135)
Closing gross carrying amount	397	744	1,141	56
Accumulated amortisation				
Opening accumulated amortisation	341	549	890	-
Amortisation charge for the year	14	52	66	-
Disposals during the year	-	-	-	-
Closing accumulated amortisation	355	601	956	-
Closing net carrying amount	42	143	185	56
Year ended March 31, 2024				
Gross carrying amount				
Opening gross carrying amount	397	744	1,141	56
Additions during the year	-	164	164	124
Disposals/transfers during the year	-	-	-	(164)
Closing gross carrying amount	397	908	1,305	16
Accumulated amortisation				
Opening accumulated amortisation	355	601	956	-
Amortisation charge for the year	14	98	112	-
Disposals during the year	-	-	-	-
Closing accumulated amortisation	369	699	1,068	-
Closing net carrying amount	28	209	237	16

Note 4(a): Intangible assets under development

	March 31, 2024	March 31, 2023
Carrying amount of Intangible assets under development	16	56
Total	16	56

Notes to the financial statements for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

(a) Ageing of Intangible assets under development:

Particulars	Amounts in Intangible assets under development for					Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years		
Project in Progress						
As at March 31, 2024	11	2	3	-	16	
As at March 31, 2023	37	19	-	-	56	
Projects temporarily suspended						
As at March 31, 2024	-	-	-	-	-	
As at March 31, 2023	-	-	-	-	-	

(b) Completion schedule for Intangible assets under development whose completion is overdue or has exceeded its cost comparable to its original plan:

Particulars	To be completed in					Total
	Less than 1 Year	1-2 Year	2-3 Year	More than 3 Years		
As at March 31, 2024						
A. Project in Progress						
(i) Software	12	-	-	-	12	
Projects temporarily suspended	-	-	-	-	-	
Total	12	-	-	-	12	
As at March 31, 2023						
Project in Progress						
(i) Software	19	-	-	-	19	
Projects temporarily suspended	-	-	-	-	-	
Total	19	-	-	-	19	

Note 5: Financial assets

5(a) Trade receivables

	March 31, 2024	March 31, 2023
Unsecured, undisputed, considered good#		
Receivables from others	3,207	4,147
Receivables from related parties (refer note 30)	1,867	2,937
Total receivables	5,074	7,084

includes trade receivables amounting to INR 375 lakhs as at March 31, 2024 (March 31, 2023: 309 lakhs) considered good in respect of which the Company holds guarantees from the bank.

Trade receivables ageing

	Outstanding for following periods from the due date						Total
	Not due	Less than 6 Months	6 Months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
Unsecured, undisputed, considered good							
March 31, 2024	4,332	736	2	1	2	1	5,074
March 31, 2023	6,936	125	4	17	1	1	7,084

5(b) Cash and cash equivalents

	March 31, 2024	March 31, 2023
Balances with banks		
- In current accounts	473	281
- In EEFC accounts	988	2,578
Deposits with original maturity of less than three months	9,005	8,290
Cheques on hand	140	315
Cash on hand	0	1
Total cash and cash equivalents	10,606	11,465

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

5(c) Bank balances other than cash and cash equivalents

	March 31, 2024	March 31, 2023
Bank deposits with original maturity more than 3 months but less than 12 months##	43,292	35,223
Unspent CSR accounts***	139	117
Unpaid dividend accounts***#	43	42
Total Bank balances other than cash and cash equivalents	43,474	35,382

***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.

Fixed deposit aggregating to INR 54 Lakhs (March 31, 2023 INR 54 Lakhs) are pledged with government authorities.

5(d) Other financial assets

	March 31, 2024		March 31, 2023	
	Current	Non - current	Current	Non - current
Unsecured, considered good				
Security deposits	72	105	48	126
Long-term deposits with banks with remaining maturity of period more than 12 months##	-	3,609	-	1,220
Interest accrued on bank deposits	1,214	1	741	1
Unsecured, considered doubtful				
Security deposits	1	-	2	-
Less: Loss allowance for doubtful security deposits	(1)	-	(2)	-
Total other financial assets	1,286	3,715	789	1,347

Fixed deposit aggregating to INR 4 Lakhs (March 31, 2023 INR 4 Lakhs) are pledged with government authorities.

Note 6: Deferred tax assets (net)

The balance comprises temporary differences attributable to:

	March 31, 2024	March 31, 2023
Deferred tax assets		
Provision for employee benefits	528	569
Property, plant and equipment and intangible assets	340	291
<i>Other items</i>		
Provision for slow moving inventory and discontinued models	118	89
Allowances for doubtful advances	57	68
Other Provisions (Refer note 31(vi))	-	440
	175	597
Total deferred tax assets	1,043	1,457
Set-off of deferred tax liabilities pursuant to set-off provisions		
<i>Other items</i>	-	-
Total deferred tax liabilities	-	-
Net deferred tax assets	1,043	1,457

Movements in deferred tax assets and liabilities

	Provision for employee benefits	Property, plant and equipment and intangible assets	Other items	Total
At April 1, 2022	345	221	145	711
(Charged)/credited:				
- to profit or loss	120	70	452	642
- to other comprehensive income	104	-	-	104
At March 31, 2023	569	291	597	1,457
(Charged)/credited:				
- to profit or loss	(44)	49	(422)	(417)
- to other comprehensive income	3	-	-	3
At March 31, 2024	528	340	175	1,043

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Note 7: Non Current Tax assets (net)

	March 31, 2024	March 31, 2023
Advance income tax (net)		
Opening balance	4,671	4,483
Add: Taxes paid (Net of provisions)	(218)	188
Closing balance**	4,453	4,671

*Includes paid under protest as at March 31, 2024 INR 1,937 lakhs (March 31, 2023: INR 1,937 lakhs).

#Net of provision for tax as at March 31, 2024 of INR 43,661 lakhs (March 31, 2023: INR 40,926 lakhs)

Note 8: Other non-current assets

	March 31, 2024	March 31, 2023
Unsecured, considered good		
Capital advances	397	85
Recoverable from government authorities*	2,141	428
Prepaid expenses	25	29
Total	2,563	542
Unsecured, considered doubtful		
Special additional duty recoverable	184	184
Export benefits recoverable	39	39
Others	-	44
Total	223	267
Less: Allowance for doubtful advances	(223)	(267)
Total other non-current assets	2,563	542

* Includes deposit under protest as at March 31, 2024 INR 1,842 lakhs (March 31, 2023 : INR 148 lakhs)

Note 9: Inventories

	March 31, 2024	March 31, 2023
Raw materials [includes in transit: INR 808 lakhs [March 31, 2023: INR 2,022 lakhs]	4,098	6,295
Work-in-progress	706	767
Finished goods [includes in transit: INR 1,550 lakhs (March 31, 2023: INR 2,737 lakhs]	3,115	5,847
Stock-in-trade [includes in transit: INR 903 lakhs (March 31, 2023: INR 994 lakhs]	6,334	3,815
Stores and spares	319	324
Total	14,572	17,048
Less : Provision for slow moving inventory including discontinued models	(479)	(353)
Total inventories	14,093	16,695

Note 10: Other current assets

	March 31, 2024	March 31, 2023
Unsecured, considered good, unless otherwise stated		
Recoverable from related parties (refer note 30)	230	3
Advances for supply of goods	72	54
Prepaid expenses	169	168
Recoverable from government authorities	481	338
GST receivable	1,212	2,517
Special additional duty recoverable	24	24
Export benefits recoverable	87	405
Others**	102	28
Total	2,377	3,537

** includes advances given to a director as a part of the conditions of service extended by the Company to all its employees at March 31, 2024 INR 12 lakhs (March 31, 2023: INR 11 lakhs).

Notes to the financial statements for the year ended March 31, 2024
(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 April 1, 2023	1,50,00,000	1,500
At the end of the year - As at March 31, 2024	1,50,00,000	1,500

Issued share capital

	Number of shares	Amount
	Balance at the beginning of year - As at April 1, 2023	1,01,44,000
Balance at the end of the year - As at March 31, 2024	1,01,44,000	1,014

Subscribed and paid up share capital

	Number of shares	Amount
	Balance at the beginning of year - As at April 1, 2023	1,01,43,071
Balance at the end of the year - As at March 31, 2024	1,01,43,071	1,014

(i) Movements in equity share capital

	Number of shares	Equity share capital (par value)
	Balance at the beginning of year - As at April 1, 2023	1,01,43,071
Balance at the end of the year - As at March 31, 2024	1,01,43,071	1,014

Terms and rights attached to equity shares

The Company has a single class of equity shares having a par value of Rs. 10 each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The voting rights on a poll (not on show of hands) are in proportion to an equity shareholder's share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

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

(ii) Shares of the Company held by holding Co. & promoters

	March 31, 2024		March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
Honda Motor Co. Ltd., Japan				
Number of Shares at the beginning of the year	67,62,000	66.67%	67,62,000	66.67%
Changes during the year	-	-	-	-
Number of Shares at the end of the year	67,62,000	66.67%	67,62,000	66.67%

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

	March 31, 2024		March 31, 2023	
	Number of shares	% holding	Number of shares	% holding
Honda Motor Co. Ltd., Japan	67,62,000	66.67%	67,62,000	66.67%
Nippon Life India Trustee Ltd, India	8,94,730	8.82%	8,44,730	8.33%
Tata Mutual Fund - Tata Small Cap Fund	5,14,413	5.07%		

11(b) Other equity

Reserves and Surplus

	March 31, 2024	March 31, 2023
	Securities premium	396
General reserve	12,087	12,087
Retained earnings	67,714	60,177
Total other equity	80,197	72,660

(i) Securities premium

	March 31, 2024	March 31, 2023
	Balance at the beginning of year	396
Balance at the end of the year	396	396

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

(ii) General reserve

	March 31, 2024	March 31, 2023
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, 2024	March 31, 2023
Balance at the beginning of year	60,177	53,491
Profit for the year	9,221	8,509
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of post-employment benefit obligation, net of tax	(10)	(302)
Dividend on equity shares	(1,674)	(1,521)
Balance at the end of the year	67,714	60,177

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 16.50 per share, total dividend Rs. 1,674 lakhs (Previous Year Rs 15 per share, total dividend 1,521 lakhs) was paid to equity shareholders. The board of directors recommended the final dividend of Rs. 17.50/-per share (Nominal value of Rs. 10/share) for the financial year 2023-24. The dividend is subject to approval of shareholders in the ensuing Annual General Meeting.

Note 12: Financial liabilities

12(a) Trade payables

	March 31, 2024	March 31, 2023
Total outstanding dues of micro enterprises and small enterprises (refer note 36)	1,300	1,154
Total outstanding dues of creditors other than micro enterprises and small enterprises *	8,693	8,321
Total trade payables	9,993	9,475

* Includes amount payable to related parties amounting to INR 4,312 lakhs as at March 31, 2024 (March 31, 2023: INR 3,707 lakhs).(Refer note 30).

Trade Payables Ageing

	Unbilled	Not due	Outstanding for following periods from the due date				Total
			Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Year ended March 31, 2024							
Micro enterprises and small enterprises (MSME)	107	1,193	-	-	-	-	1,300
Others	2,392	6,299	2	-	-	-	8,693
Disputed dues -MSME	-	-	-	-	-	-	-
Disputed dues -Others	-	-	-	-	-	-	-
Total	2,499	7,492	2	-	-	-	9,993
Year ended March 31, 2023							
Micro enterprises and small enterprises (MSME)	157	997	-	-	-	-	1,154
Others	3,193	5,121	-	7	-	-	8,321
Disputed dues -MSME	-	-	-	-	-	-	-
Disputed dues -Others	-	-	-	-	-	-	-
Total	3,349	6,119	-	7	-	-	9,475

12(b) Other financial liabilities

	March 31, 2024	March 31, 2023
Current		
Security deposits from dealers	231	228
Interest accrued and due on security deposits	13	13
Unpaid dividends	43	42
Employee benefits payable	1,211	1,225
Capital creditors	639	102
Other Payables	139	34
Total other current financial liabilities	2,276	1,644

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Note 13: Contract liabilities

	March 31, 2024	March 31, 2023
Advance from customers	1,207	1,197
Deferred service revenue	288	256
Total Contract liabilities	1,495	1,453

(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.

(ii) Revenue recognised that was included in the contract liabilities balance.

	March 31, 2024	March 31, 2023
Revenue recognised	1,442	1,224
	1,442	1,224

Note 14: Provisions

	March 31, 2024		March 31, 2023	
	Current	Non - current	Current	Non - current
Provision for employee benefits (refer note 25)				
Compensated absences	1,521	-	1,424	-
Gratuity	577	-	838	-
Other provisions				
Warranties (refer note (i) below)	288	86	307	120
Repair of inventory*	-	-	509	-
Reimbursement for inventory holding cost*	-	-	1,241	-
Total	2,386	86	4,319	120

* Refer note 31(vii)

(i) Information about warranty provisions and significant estimates

Warranties: Provision is made for warranty claims in respect of products sold which are still under warranty at the end of reporting period. The Company offers warranty for a period ranging from one year to two years to domestic and export customers. The warranty provision is expected to be utilised within the normal warranty period. The provision has been created based on management's estimates and past trends of actual claim received.

(ii) Movements in other provisions

Movements in each class of other provisions during the financial year, are set out below:

	Warranties	Repair of inventory	Reimbursement for inventory holding cost
As at April 1, 2022	271	-	-
Provision made during the year	553	509	1,241
Provision utilised/reversed during the year	(397)	-	-
As at March 31, 2023	427	509	1,241
Provision made during the year	222	-	-
Provision utilised/reversed during the year	(275)	(509)	(1,241)
March 31, 2024	374	-	-

Note 15: Other current liabilities

	March 31, 2024	March 31, 2023
Statutory tax payables	683	867
Contribution towards corporate social responsibility	349	312
Sales incentive payable	667	1,069
Total other current liabilities	1,699	2,248

Note 16: Revenue from Operations

	March 31, 2024	March 31, 2023
Revenue from Contracts with Customers		
Sale of products		
Finished goods	84,054	1,08,323
Stock in trade	9,546	10,514
Spares and components	3,211	2,991
Total Sale of Products	96,811	1,21,828
Sale of services	739	731
Total revenue from contracts with customers	97,550	1,22,559
Other operating revenue		
Scrap sales	158	203
Support service fees	217	230
Export incentive income	951	1,618
Others	31	19
Total other operating revenue	1,357	2,070
Total revenue from operations	98,907	1,24,629

Notes to the financial statements for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

Reconciliation of revenue recognised with contract price:

	March 31, 2024	March 31, 2023
Contract price	99,061	1,24,684
Sales incentive	(1,223)	(1,869)
Deferred service revenue	(288)	(256)
Total revenue from contracts with customers	97,550	1,22,559

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. Revenue from contract with customers is disaggregated by geographical region and presented in Note 29.

Note 17: Other income

	March 31, 2024	March 31, 2023
Interest income under the effective interest method from financial assets at amortised cost		
-Interest income on Bank deposits	3,290	1,648
Net gain on sale of property, plant and equipments and intangible assets	33	95
Foreign exchange fluctuation (net)	202	59
Provisions / liabilities written back to the extent no longer required	99	7
Miscellaneous income	518	108
Total other income	4,142	1,917

Note 18: Cost of materials consumed

	March 31, 2024	March 31, 2023
Raw material at the beginning of the year	6,295	7,260
Add : Purchases during the year	47,470	64,354
Less : Raw material at the end of the year	4,098	6,295
Total cost of materials consumed	49,667	65,319

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

	March 31, 2024	March 31, 2023
Finished goods at the end of the year	3,115	5,847
Finished goods at the beginning of the year	5,847	6,398
Changes in inventory of finished goods	2,732	551
Stock-in-trade at the end of the year	6,334	3,815
Stock-in-trade at the beginning of the year	3,815	3,149
Changes in inventory of Stock-in-trade	(2,519)	(666)
Work-in-progress at the end of the year	706	767
Work-in-progress at the beginning of the year	767	853
Changes in inventory of Work-in-progress	61	86
Total changes in inventories of finished goods,work-in-progress and stock-in-trade	274	(29)

Note 20: Employee benefits expense

	March 31, 2024	March 31, 2023
Salaries, wages and bonus	10,632	10,368
Contribution to provident fund and other funds (refer note 25)	659	669
Gratuity (refer note 25)	257	208
Compensated absences	315	499
Staff welfare expenses	965	962
Total employee benefits expense	12,828	12,706

Note 21: Finance costs

	March 31, 2024	March 31, 2023
Interest on security deposits from dealers	13	13
Interest on lease liabilities	8	13
Interest on income tax	23	32
Total finance costs	44	58

Note 22: Depreciation and amortisation expense

	March 31, 2024	March 31, 2023
Depreciation of property, plant and equipment (refer note 3)	1,882	1,959
Amortisation of right-of-use assets (refer note 3(a))	28	53
Amortisation of intangible assets (refer note 4)	112	66
Total depreciation and amortisation expense	2,022	2,078

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Note 23: Other expenses

	March 31, 2024	March 31, 2023
Consumption of stores and spare parts	415	503
Power and fuel	875	1,181
Rent (refer note 32(b))	468	374
Repairs		
- Buildings	83	98
- Plant & Machinery	202	217
- Others	161	161
Insurance	123	136
Rates and taxes	45	27
Royalty	3,747	4,480
Technical guidance fees	262	393
Freight, clearing and forwarding	2,630	6,577
Commission on sales	2,998	5,188
Advertisement and sales promotion	791	662
Service expenses	261	287
Travelling expenses	553	491
Legal and professional fees (refer note 23(a))	1,043	790
Vehicle running expenses	136	205
Bad debts written off	3	-
Provision for slow moving inventory	126	30
Allowance for doubtful advances	-	15
Advances written off	18	
Less: written off against provision	15	-
Warranty expenses	222	553
Security expenses	125	112
Bank charges	9	7
Contribution towards corporate social responsibility (Refer note 23(b))	210	180
Miscellaneous expenses	612	702
Total other expenses	16,103	23,369

Note 23(a): Details of payments to auditors

	March 31, 2024	March 31, 2023
Payments to auditors**		
As auditor:		
Audit fee	49	40
Tax audit fee	3	3
Limited reviews fee	9	9
Re-imbursement of expenses	5	4
Total payments to auditors	66	56

* includes amount of INR NIL lakhs (March 31, 2023 INR 6 Lakhs) paid to previous auditor.

excluding Goods and Services Tax

Note 23(b): Corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief, COVID-19 relief and rural development projects. A CSR committee has been formed by the Company as per the Act.

	March 31, 2024	March 31, 2023
Amount required to be spent by the company during the year as per Section 135 of the Act	210	180
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	173	-
Shortfall at the end of the year	210	180
Total Previous year shortfall	139	132
Reason for shortfall	Pertains to	Pertains to
Related party transactions	ongoing projects	ongoing projects
	-	-

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Details of unspent obligations

	March 31, 2024	March 31, 2023
Balance at the beginning of the year with company bank account	180	-
Balance at the beginning of the year in separate unspent CSR account	132	132
Amount transferred to unspent CSR account during the year*	180	-
Amount required to be spent by the company during the year as per Section 135 of the Act**	210	180
Amount spent during the year from company bank account	0	-
Amount spent during the year from separate unspent CSR account	173	-
Balance at the end of the year with company bank account*	210	180
Balance at the end of the year in separate unspent CSR account#	139	132

#As on March 31, 2023 it includes an amount of INR 15 lakhs which was debited by bank at the instruction of one of the regulatory authorities without the knowledge of the company. Even though the company is contesting the said demand, the company has recouped this demand in April 2023.

* The amount has been transferred to separate unspent CSR account with ICICI Bank in April 2024 (Previous Year in April 2023).

** Amount has been approved by board of directors and CSR committee.

Note 24: Income tax expense

	March 31, 2024	March 31, 2023
(a) Income tax expense		
<i>Current tax</i>		
Current tax on profits for the year	2,735	3,674
Adjustments for current tax of prior periods	-	-
Total current tax expense	2,735	3,674
<i>Deferred tax</i>		
Decrease/(increase) in deferred tax assets	415	(645)
(Decrease)/increase in deferred tax liabilities	2	2
Total deferred tax expense/(benefit)	417	(643)
Income tax expense	3,152	3,031

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

	March 31, 2024	March 31, 2023
Profit before income tax expense	12,373	11,540
Tax at the India tax rate of 25.168% (2022-2023: 25.168%)	3,114	2,904
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Amortisation of leasehold land	2	2
Corporate social responsibility expenditure	53	45
Other items	(17)	80
Income tax expense	3,152	3,031

(c) Income tax on other comprehensive income

	March 31, 2024	March 31, 2023
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurements of post-employment benefit obligations	(13)	(406)
Tax at the India tax rate of 25.168% (2022-2023: 25.168%)	3	104

Note 25 : Employee benefits

(i) Compensated absences

The Compensated absences cover the Company's liability for accumulated earned leave and sick leave.

The entire amount of the provision of INR 1521 lakhs (March 31, 2023: INR 1424 lakhs) is presented as current since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leaves within the next 12 months.

(ii) Defined contribution plans

Superannuation Fund

The expense recognised during the period towards defined contribution plan is INR 72 lakhs (March 31, 2023: 133 lakhs).

Employee State Insurance

The expense recognised during the period towards defined contribution plan is INR 11 lakhs (March 31, 2023: 21 lakhs).

Employer Contribution to National Pension Scheme

The expense recognised during the period towards contribution to national pension scheme is INR 71 lakhs (March 31, 2023: Nil).

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

(iii) Post-employment obligations

(a) Gratuity

Balance sheet amounts - Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net Amount
April 1, 2022	2,109	(1,773)	336
Current service cost	184	-	184
Interest expense/(income)	152	(128)	24
Total amount recognised in profit or loss	336	(128)	208
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	4	4
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses (experience adjustment)	402	-	402
Total amount recognised in other comprehensive income	402	4	406
Employer contributions		(112)	(112)
Benefit payments	(214)	214	-
March 31, 2023	2,633	(1,795)	838
April 1, 2023	2,633	(1,795)	838
Current service cost	196	-	196
Interest expense/(income)	193	(132)	61
Total amount recognised in profit or loss	389	(132)	257
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)		(38)	(38)
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses (experience adjustment)	50	-	50
Total amount recognised in other comprehensive income	50	(38)	12
Employer contributions	-	(530)	(530)
Benefit payments	(182)	182	-
March 31, 2024	2,890	(2,313)	577

(b) Provident fund

The expenses recognised during the period towards provident fund is INR 504 lakhs (March 31, 2023: INR 515 lakhs) which also includes defined contribution to family pension scheme INR 137 lakhs (March 31, 2023: 161 lakhs).

Balance sheet amounts - Provident fund

	Present value of obligation	Fair value of plan assets	Net Amount
April 1, 2022	7,591	(7,903)	(312)
Current service cost	340	-	340
Interest expense/(income)	671	(671)	-
Total amount recognised in profit or loss	1,011	(671)	340
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(162)	(162)
(Gain)/loss from change in financial assumptions	(1)	-	(1)
Experience (gains)/losses (experience adjustment)	2	-	2
Total amount recognised in other comprehensive income	1	(162)	(161)
Employer contributions	-	(340)	(340)
Contributions by plan participants/employees	834	(834)	-
Benefits paid	(912)	912	-
Settlements/transfer in	25	(25)	-
March 31, 2023*	8,551	(9,023)	(473)
April 1, 2023	8,551	(9,023)	(473)
Current service cost	357	-	357
Interest expense/(income)	763	-	763
Total amount recognised in profit or loss	1,120	-	1,120
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(758)	(758)
(Gain)/loss from change in financial assumptions	(260)	-	(260)
Experience (gains)/losses (experience adjustment)	-	-	-
Total amount recognised in other comprehensive income	(260)	(758)	(1,018)
Employer contributions	-	(357)	(357)
Contributions by plan participants/employees	849	(849)	-
Benefit paid	(641)	641	-
Settlements/transfer in	29	(29)	-
March 31, 2024*	9,648	(10,375)	(728)

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

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

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

	Gratuity		Provident fund	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Present value of funded obligations	2,890	2,633	9,648	8,551
Fair value of plan assets	(2,313)	(1,795)	(10,375)	(9,023)
Deficit/(surplus) of funded plan	577	838	(727)	(472)
Unfunded plans	-	-	-	-
Deficit/(surplus) of gratuity plan and provident fund*	577	838	(727)	(472)

*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, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Discount rate per annum	7.23%	7.36%	7.23%	7.36%
Salary growth rate per annum	8.00%	8.00%	-	-
Expected statutory interest rate per annum	-	-	8.25%	8.15%
Expected short fall in interest earnings on the fund	-	-	0.05%	0.05%
Retirement age	58 years	58 years	58 years	58 years
Mortality rate	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
Withdrawal rate				
Ages:				
Upto 30 years	3%	3%	3%	3%
From 31 to 44 years	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%

(v) Sensitivity analysis

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

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

	March 31, 2024	March 31, 2023
i) Defined benefit obligation	2,890	2,633
ii) Decrease in defined benefit obligation at 0.5% increase in discount rate	(139)	(127)
iii) Increase in defined benefit obligation at 0.5% decrease in discount rate	152	138

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

	March 31, 2024	March 31, 2023
i) Defined benefit obligation	2,890	2,633
ii) Increase in defined benefit obligation at 0.5% increase in salary growth rate	150	137
iii) Decrease in defined benefit obligation at 0.5% decrease in salary growth rate	(139)	(127)

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

	March 31, 2024	March 31, 2023
i) Defined benefit obligation	9,648	8,551
ii) Impact on defined benefit obligation at 0.5% increase in discount rate	(2)	(2)
iii) Impact on defined benefit obligation at 0.5% decrease in discount rate	2	2

(d) Changes in defined benefit obligation of Gratuity plan and Provident fund due to changes in mortality and withdrawal rate, are negligible.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumption the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period. Brackets represents gain.

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

	March 31, 2024		March 31, 2023	
	Unquoted	in %	Unquoted	in %
Investment funds				
Funds managed by insurer	2,313	100%	1,795	100%
Total	2,313	100%	1,795	100%
Provident fund				
Investment funds				
Government securities	5,187	50%	4,511	50%
Public sector unit bonds	4,669	45%	4,060	45%
Mutual funds	519	5%	451	5%
Total	10,375	100%	9,023	100%

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

(vii) Risk exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are defined below:

Investment risk	If plan is funded then assets and liabilities mismatch and actual investment return on assets is lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can impact the plan's liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

(viii) Defined benefit liability and employer contributions

Expected provident fund contribution for the year ended March 31, 2025 is INR 383 lakhs.

Expected contribution to post-employment benefit plan i.e. gratuity for the year ended March 31, 2025 is INR 243 lakhs.

The weighted average duration of the defined benefit obligation of Gratuity plan as at March 31, 2024 is 16.01 years (March 31, 2023: 16.14 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, 2024					
Defined benefit obligation	458	150	362	1,920	2,890
Total	458	150	362	1,920	2,890
March 31, 2023					
Defined benefit obligation	261	321	282	1,768	2,632
Total	261	321	282	1,768	2,632

The expected maturity analysis of provident fund is as follows:

	Less than a year	Between 1-5 years	Between 5-10 years	Over 10 years	Total
March 31, 2024					
Defined benefit obligation	1,177	1,897	1,974	4,600	9,648
Total	1,177	1,897	1,974	4,600	9,648
March 31, 2023					
Defined benefit obligation	1,423	1,678	1,702	3,748	8,551
Total	1,423	1,678	1,702	3,748	8,551

Note 26: Fair value measurements

Financial instruments by category

	Notes	March 31, 2024	March 31, 2023
Financial assets as amortised cost			
Trade receivables	5(a)	5,074	7,084
Cash and cash equivalents	5(b)	10,606	11,465
Other bank balances	5(c)	43,474	35,382
Security Deposits	5(d)	177	174
Long-term deposits with banks with remaining maturity period more than 12 months	5(d)	3,609	1,220
Interest accrued on bank deposits	5(d)	1,215	742
Total financial assets		64,155	56,067
Financial liabilities at amortised cost			
Trade payables	12(a)	9,993	9,475
Lease Liabilities	3(a)	47	81
Security deposits from dealers	12(b)	231	228
Interest accrued and due on security deposits	12(b)	13	13
Unpaid dividends	12(b)	43	42
Employee benefits payable	12(b)	1,211	1,225
Other payables	12(b)	139	34
Capital creditors	12(b)	639	102
Total financial liabilities		12,316	11,200

(a) Fair value of financial assets and liabilities measured at amortised cost

The following summarizes the financial instruments at fair value and classification of financial instruments into the three levels prescribed under the Indian Accounting Standards:

There are no financial assets and financial liabilities in a category measured at fair value-recurring fair value measurements.

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, trade payables, employee benefits payables, lease liabilities, interest accrued, unpaid dividends, capital creditors and security deposits received are considered to be the same as their fair values, due to their short-term nature.

The fair values for long-term deposits with banks with remaining maturity period more than 12 months were calculated based on cash flows discounted using a current interest rate. The carrying amount is considered to approximate the same to fair value as at the reporting date based on evidence obtained from banks to support the valuation. There is no transfer of financial assets and liabilities between the levels 1,2,3 during the year.

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Note 27: Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the Company's financial performance. This note explains the sources of risk which the entity is exposed to and how the entity manages such risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of bank deposits, credit limits, letter of credit and periodic monitoring of realisable value
Liquidity risk	Trade payables and other liabilities	Rolling cash flow forecasts	Availability of sufficient internally generated operating cash flows
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Cash flow forecasting

The Company's senior management oversees the management of these risks. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(A) Credit risk

Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks, as well as credit exposures to customers, including outstanding receivables.

(i) Credit risk management

Trade receivables and other financial assets

A default is when the counterparty fails to make contractual payments within 30 days of when they fall due in case of trade receivables and for other financial assets as prescribed by relevant terms of the contract. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors. Assets are written-off when there is no reasonable expectation of recovery, such as a trade receivables declaring bankruptcy or failing to engage in a repayment plan with the Company. Where financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

The Company extends credit to the customers considering factors such as credit track record in the market and past dealing with the Company. The Company monitors the payment track record of the customers. The Company's third party export customers are secured through letter of credit and majority of the Company's export trade receivables are outstanding but not due with its related entities, which mitigates the risk to an extent.

Cash and cash equivalents and deposits with banks

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits accounts in different banks across the Country.

(ii) Provision for expected credit losses

The Company provides for expected credit loss based on the following:

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The 12-month expected credit loss is a portion of the lifetime expected credit losses which results from default events that are possible within 12 months after the reporting date. At initial recognition, financial assets are considered as having negligible credit risk. The Company monitors whether there is any significant increase in credit risk since initial recognition.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

Lifetime expected credit loss are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. Management believes that the unimpaired amounts that are 6 months past due date are still collectible in full. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Considering the above factors the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

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 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

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

discounting is not significant.

Contractual maturities of financial liabilities	Notes	Less than one year	More than one year	Total	Carrying Amount
March 31, 2024					
Trade payables	12(a)	9,993	-	9,993	9,993
Lease Liabilities	3(a)	32	15	47	47
Security deposits	12(b)	231	-	231	231
Interest accrued and due on security deposits	12(b)	13	-	13	13
Unpaid dividends	12(b)	43	-	43	43
Employee benefits payables	12(b)	1,211	-	1,211	1,211
Capital creditors	12(b)	639	-	639	639
Other Payables	12(b)	139	-	139	139
Total		12,301	15	12,316	12,316
March 31, 2023					
Trade payables	12(a)	9,475	-	9,475	9,475
Lease Liabilities	3(a)	3	78	81	81
Security deposits from dealers	12(b)	228	-	228	228
Interest accrued and due on security deposits	12(b)	13	-	13	13
Unpaid dividends	12(b)	42	-	42	42
Employee benefits payables	12(b)	1,225	-	1,225	1,225
Capital creditors	12(b)	102	-	102	102
Other Payables	12(b)	34	-	34	34
Total		11,122	78	11,200	11,200

(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, CNY 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.

The Company does not have any debt other than leases in its financial statements. Therefore there is no exposure to interest risk.

(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, 2024			
	USD	JPY	THB	CNY
Financial assets				
Trade receivables	1,492	-	-	-
Recoverable from related parties	230	-	-	-
Advances for supply of goods	-	-	-	2
Cash balance	-	-	-	-
Bank balance in EEFC accounts	988	-	-	-
	2,710	-	-	2
Financial liabilities				
Trade payables	2,254	332	189	16
Exposure to foreign currency risk (liabilities)	2,254	332	189	16

	March 31, 2023			
	USD	JPY	THB	CNY
Financial assets				
Trade receivables	2,785	-	-	-
Cash balance*	0	0	-	-
Bank balance in EEFC accounts	2,578	-	-	-
Exposure to foreign currency risk (assets)	5,363	0	-	-
Financial liabilities				
Trade payables	2,138	397	362	-
Exposure to foreign currency risk (liabilities)	2,138	397	362	-

*less than 1 lakh

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

(b) Sensitivity

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

	Increase/(Decrease) in profit before tax		Increase/(Decrease) in Equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
USD sensitivity with INR				
Increase by 5% (March 31, 2023: 5%)*	22.8	161.3	17.1	120.7
Decrease by 5% (March 31, 2023: 5%)*	(22.8)	(161.3)	(17.1)	(120.7)
JPY sensitivity with INR				
Increase by 5% (March 31, 2023: 5%)*	(16.6)	(19.9)	(12.4)	(14.9)
Decrease by 5% (March 31, 2023: 5%)*	16.6	19.9	12.4	14.9
THB sensitivity with INR				
Increase by 5% (March 31, 2023: 5%)*	(9.4)	(18.1)	(7.1)	(13.5)
Decrease by 5% (March 31, 2023: 5%)*	9.4	18.1	7.1	13.5
CNY sensitivity with INR				
Increase by 5% (March 31, 2023: 5%)*	(0.7)	-	(0.5)	-
Decrease by 5% (March 31, 2023: 5%)*	0.7	-	0.5	-

* 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 other than leases 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, 2024	March 31, 2023
(i) Equity shares		
Final dividend for the year ended March 31, 2023 of INR 16.50 (March 31, 2022: INR 15.00) per fully paid share.	1,674	1,521
(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 17.50 (March 31, 2023: INR 16.50) per fully paid up equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	1,775	1,674

Note 29: Operating Segment

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, 2024	March 31, 2023
Revenue from Contracts with Customers		
India	59,175	53,206
Outside India	38,375	69,353
	97,550	1,22,559
Other operating revenue		
India	1,357	2,070
Outside India	-	-
	1,357	2,070
Total	98,907	1,24,629

Revenue from transactions with a customer from USA amounting to 10% or more of an entity's revenue is INR 24,280 lakhs (March 31, 2023: INR 52,056 lakhs).

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

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

Particulars	March 31, 2024	March 31, 2023
India	21,240	16,605
Outside India	-	-
Total	21,240	16,605

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, 2024	March 31, 2023
Honda Motor Co. Ltd., Japan	Holding and ultimate holding Company	Japan	66.67%	66.67%

(b) Other related parties

Type	Name	Place of incorporation
Fellow subsidiaries with whom transactions have been undertaken	American Honda Motor Co. Inc.	USA
	Asian Honda Motor Co. Limited	Thailand
	Honda Australia Motorcycle and Power Equipment Pty Ltd.	Australia
	Honda Canada Inc.	Canada
	Honda Cars India Limited	India
	Honda De Mexico S.A. DE C.V.	Mexico
	Honda Del Peru S.A.	Peru
	Honda Gulf FZE	UAE
	Honda Kaihatsu Co. Ltd.	Japan
	Honda Motor de Argentina S.A.	Argentina
	Honda Motor De Chile S.A.	Chile
	Honda Motor Europe Limited	United Kingdom
	Honda Motor Southern Africa (PTY) Ltd	South Africa
	Honda Motorcycle and Scooter India Private Limited	India
	Honda Philippines Inc.	Philippines
	Honda R & D (India) Private Limited	India
	Honda R & D Co. Limited	Japan
	Honda Selva Del Peru S.A.	Peru
	Honda Taiwan Co Ltd	Taiwan
	Honda Trading Corporation India Private Limited	India
	Honda Trading (China) Co. Ltd.	China
	Honda Trading (South China) Co. Limited	Hong Kong
	Honda Trading Asia Co. Limited	Thailand
	Honda Trading Brasil Ltda.	Brasil
	Honda Trading Corporation	Japan
	Honda Trading Europe Ltd.	Belgium
	Honda Trading Philippines Ecozone Corporation	Philippines
	PT Honda Power Products Indonesia	Indonesia
	PT Astra Honda Motor	Indonesia
	Honda Trading (HTE) GmbH	Germany
Rajasthan Prime Steel Processing Center Private Limited	India	
Shanghai Honda Trading Co. Limited	China	
Thai Honda Manufacturing Company	Thailand	
Honda Kaihatsu India Hospitality Pvt. Ltd.	India	
Common Partner/Director	DMD Advocates	India
Key management personnel	Mr. Takahiro Ueda- CMD and President & CEO(Resigned W.e.f 31st March 2023)	
	Mr. Shigeki Iwama- CMD and President & CEO(Appointed w.e.f. 1st April 2023)	
	Mr. Noboru Sube- Senior Vice President , Whole time director (Resigned W.e.f 31st March 2024)	
	Mr. Vinay Mittal- Senior Vice President, Whole time director and CFO	
	Mr. Manoj Arora, Director(Resigned W.e.f 29th February 2024)	
	Mr. Ravi Prakash Mehrotra, Director	

Notes to the financial statements for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

Ms. Alka M. Bharucha, Director
 Ms. Kaori Osakada, Director (Appointed w.e.f. 1st April 2023)
 Mr. Nitin Savara, Director (Appointed w.e.f. 1st March 2024)
 Ms. Anuradha Dutt (Appointed w.e.f. 1st April 2023)

(c) Key management personnel (KMP) compensation

	March 31, 2024	March 31, 2023
Short-term employee benefits		
Mr. Takahiro Ueda	-	264
Mr. Vinay Mittal*	214	201
Mr. Noboru Sube	220	223
Mr. Shigeki Iwama	222	-
Sitting fees		
Mr. Manoj Arora	6	8
Ms. Alka M. Bharucha	5	7
Mr. Ravi Prakash Mehrotra	4	6
Ms. Anuradha Dutt	2	-
Other recoverable	12	11

*Excludes contribution to the gratuity fund and provision for leave encashment amounting to INR 14 lakhs(March 2023 Rs. 32 Lakhs) determined on an actuarial basis.

(d) Transactions with related parties

	March 31, 2024	March 31, 2023
 Holding Company		
 Purchase of goods		
Stock-in-trade	2,361	1,705
Components, raw material, consumables and spares	2,096	4,053
 Purchase of capital goods	5	-
 Other Expenses		
Technical guidance fee	262	393
Royalty	3,747	4,480
Export commission on sales	2,955	5,158
 Sale of products		
Finished goods	600	264
Spares and components	15	8
 Dividend paid	1,116	1,014
 Reimbursement of expenses		
Paid	839	793
Received	739	38

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

 Purchase of stock-in-trade		
Asian Honda Motor Co. Limited, Thailand	6,681	6,753
 Purchase of components, raw material, consumables and spares		
Asian Honda Motor Co. Limited, Thailand	714	1,214
Honda Trading Asia Co. Ltd., Thailand	625	1,322
Honda Trading Corporation, Japan	628	833
Rajasthan Prime Steel Processing Center Private Limited, India	704	1,100
Shanghai Honda Trading Co. Ltd., China	22	762

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Honda Trading Corporation India Private Limited, India	235	1,020
Honda Trading (China) Co. Ltd., China	575	126
Others	119	303
Purchase of capital goods		
Honda Trading Corporation, Japan	-	12
Sale of finished goods		
American Honda Motor Co. Inc, USA	24,280	52,056
Honda Australia Motorcycle and Power Equipment Pty Ltd, Australia	696	2,309
Honda Canada Inc., Canada	5,903	7,667
Honda Motor Europe Limited, United Kingdom	4,118	3,829
Others	1,225	1,441
Sale of spares and components		
Honda Cars India Limited, India	444	555
Honda Motorcycle and Scooter India Private Limited, India	2,602	2,250
Others	4	4
Fee for infrastructure support services		
Honda R&D (India) Pvt. Ltd., India	16	19
Consultancy Services		
DMD Advocates	35	-
Support service fees		
Honda Cars India Limited, India	217	230
Reimbursement of expenses paid		
American Honda Motor Co. Inc, USA*	118	1,359
Honda Canada Inc., Canada	37	81
Honda Kaihatsu Co. Ltd, Japan	1	1
Asian Honda Motor Co. Limited, Thailand	210	136
Others	101	85
Reimbursement of expenses received		
Honda Cars India Limited, India	12	-
Honda R&D (India) Pvt. Ltd., India	11	10
Asian Honda Motor Co. Limited, Thailand	5	5
Honda Motorcycle and Scooter India Private Limited, India	16	-
Others	6	2

* Refer note 31(vii)

(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, 2024	March 31, 2023
Holding Company		
Trade payables	3,416	2,982
Trade receivables	2	-
Other recoverables	229	3
Other payables	139	-
Fellow subsidiaries		
Trade payables		
Asian Honda Motor Co. Limited, Thailand	332	280
Honda Trading Corporation, Japan	31	32
Honda Trading Asia Co. Ltd., Thailand	37	76
Honda Trading Corporation India Private Limited, India	35	44

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

American Honda Motor Co. Inc, USA	244	60
Others	218	376

Trade receivables

American Honda Motor Co. Inc, USA	831	842
Honda Australia Motorcycle and Power Equipment Pty Ltd, Australia	-	421
Honda Canada Inc., Canada	-	635
Honda Motor Europe Limited, United Kingdom	453	712
Honda Motorcycle and Scooter India Private Limited, India	316	224
HONDA Gulf FZE	127	-
Others	138	103

Other Recoverable

Honda R&D (India) Pvt. Limited, India	1	1
Honda Trading (China) Co. Ltd.	2	-
Others	1	-

Advance from customers

Others	0	0
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Other Payable

American Honda Motor Co. Inc, USA*	-	1,241#
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* Refer note 31(vii)

Against provision created in FY 2022-23 of INR 1,241 lakhs, final amount paid is INR 216 lakhs.

There is no impairment allowance recognized in respect of receivables due from related parties.

(f) Terms and conditions

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.

All other transactions were made on normal commercial terms and conditions and at arms length. All outstanding balances are unsecured and settled in cash.

Note 31: Contingent liabilities

The Company has contingent liabilities at the year end in respect of:

	March 31, 2024	March 31, 2023
Claims against the Company not acknowledged as debts		
Income tax matters	14,702	13,312
Customs matters	2,173	491
Sales tax matters	556	232
Other matters	57	55

Notes

- (i) In respect of the matters above, the amount represents the demands received under the respective demand/ show cause notices/ legal claims, wherever applicable.
- (ii) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- (iii) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (iv) The Company has received show cause notice amounting to Rs 1731.5 lakhs from Customs Department regarding classification of three parts at the time of importation. The Company has filed the reply to the show cause notice.

Based on the opinion obtained from external legal expert, the management has assessed that the Company has a good case in the said matter

- (v) 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 and verification 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'ble 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, the management has assessed that the Company has a good case in the said matter

- (vi) The Company will continue to assess the impact of further developments relating to retrospective application of Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation on non-exclusion of certain

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

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.

(vii) The results of product line testing done during the financial year 2021-22 were not in confirmation with required norms in case of USA, Canada, Australia, UK, countries in EU /EFTA. In case of USA and Canada, testing results exceeded the declarations on the products but same were within the required norms in respective countries. During the year ended 31 March 2023, based on management estimate, the Company has provided a sum aggregating to Rs 1,750 lakhs towards repair and reimbursement of expenses towards inventory holding of non-confirming stock out of the sale made by the Company during financial year 2021-22 to its fellow subsidiaries in USA and Canada.

During the current year all the activities related to repair has been completed. No further action is necessitated in this regard.

The total expenditure incurred by the company in this regard is Rs 1352 lakhs, consequently Rs 398 lakhs being the excess provision made during last year has been written back and shown under “Exceptional Items” in the financial statements.

(viii) In view of the judgement of honourable supreme court in the case of M/s Northern operating system private limited(NOS) on manpower supply services, the Company has consulted a reputed lawyer and got its opinion. Based on the opinion the Company is of the view that the Company has no liability in this regards as the facts of the Company are different from NOS. However the Company has discharged the GST without admitting liability.

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, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)		
Property, plant and equipment and intangible assets	833	-

(b) Operating leases

a) General description of the Company’s operating lease arrangements:

The Company enters into operating lease arrangements for offices, residential premises for its employees and equipment for generating power for captive consumption. Some of the significant terms and conditions of the arrangements are:

- certain agreements for premises may generally be terminated by the lessee or either party by serving one to three month’s notice or by paying the notice period rent in lieu thereof.
- the lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.

	March 31, 2024	March 31, 2023
b) Rental expense relating to operating lease	468	374
Total	468	374

c) There are no future minimum lease payments under non-cancellable operating lease.

Note 33: Events occurring after the reporting period

Refer to note 28(b) for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

Notes to the financial statements for the year ended March 31, 2024
(All amounts in INR lakhs, unless otherwise stated)

Note-34: Ratios

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

Ratio	Methodology	March 31, 2024	March 31, 2023	% Variance	Reason of Variance above 25%
Current Ratio	Current Assets over Current liabilities	4.30	3.92	9.85%	The Change in ratio from March 31, 2023 is less than 25%, hence not required to be explained
Debt-Equity Ratio	Debt over Total Shareholder's Equity	0.00*	0.00*	0.00%	The Change in ratio from March 31, 2023 is less than 25%, hence not required to be explained
Debt Service Coverage Ratio	Earning Before Interest, Taxes, Deprecation and Amortization over Current Debt	323.91	245.23	32.08%	The increase in Debt service coverage ratio from March 31, 2023 is on account of decrease in debt during the year ended March 31, 2024.
Return On Equity Ratio	Profit for the year over Total average equity	11.91%	12.10%	-1.58%	The Change in ratio from March 31, 2023 is less than 25%, hence not required to be explained
Inventory Turnover Ratio	Sale of Products over Total average inventory	6.29	7.10	-11.38%	The Change in ratio from March 31, 2023 is less than 25%, hence not required to be explained
Trade Receivable Turnover Ratio	Revenue from operations over average trade receivables	16.27	15.78	3.10%	The Change in ratio from March 31, 2023 is less than 25%, hence not required to be explained
Trade Payable Turnover Ratio	Adjusted expenses over average trade payables	7.56	9.18	-17.64%	The Change in ratio from March 31, 2023 is less than 25%, hence not required to be explained
Net Capital Turnover Ratio	Revenue from operations over average working capital	1.72	2.51	-31.43%	The decrease in Net capital turnover ratio from March 31, 2023 is on account of decrease in revenue from operations during the year ended March 31, 2024.
Net Profit Ratio	Profit for the year over revenue from operations	9.32%	6.83%	36.56%	The increase in Net profit ratio from March 31, 2023 is on account of increase in other income during the year ended March 31, 2024.
Return On Capital Employed	Earning Before Interest and Taxes over average capital employed	16.02%	16.47%	-2.71%	The Change in ratio from March 31, 2023 is less than 25%, hence not required to be explained
Return on Investment	Profit for the year over Total Assets	9.30%	9.15%	1.62%	The Change in ratio from March 31, 2023 is less than 25%, hence not required to be explained

*below to two decimal places

Wherever the term "average" is used, the average has been computed as follows: (Balance as at beginning of the year + Balance as at end of year)/2

Notes:

Debt: current and non-current lease liabilities.

Current Debt: Current year lease payments

Adjusted expenses refers to Purchase and other expenses net of non-cash expenses

Capital employed refers to total shareholders' equity and debt

Working capital: Current assets - Current Liabilities

Note 35: Earnings per share

	March 31, 2024	March 31, 2023
Net profit attributable to the equity holders of the Company	9,221	8,509
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	1,01,43,071	1,01,43,071
Basic and diluted earnings per share	90.91	83.89

Note: There are no dilutive instruments

Notes to the financial statements for the year ended March 31, 2024

(All amounts in INR lakhs, unless otherwise stated)

Note 36: Disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006 based on the information:

Particulars	March 31, 2024	March 31, 2023
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
-Principal	1,300	1,154
-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 37: Additional regulatory information required by Schedule-III

(i) Details of Benami Property:

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets:

The Company does not have any borrowings from banks and financial institutions on the basis of security of current assets.

(iii) Wilful Defaulter:

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Compliance with number of layers of companies

The Company does not have any subsidiaries.

(v) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(vi) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

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

Rajesh Arora
Partner
Membership No. 076124

Sunita Ganjoo
Company Secretary

Shigeki Iwama
Ravi Prakash Mehrotra
Vinay Mittal

DIN: 10075458 CMD and President & CEO
DIN: 06823899 Director
DIN: 05242535 Whole time director & CFO

Place : New Delhi
Date : 20th May 2024

Product Range

PORTABLE WATER PUMPS



WB15X

WS20X

WB20XD

WB30XD

TILLERS



F300

FJ500

FQ650

BRUSH CUTTERS



UMK425T

UMK435T

UMK450T

UMR435T

GENERAL PURPOSE ENGINES



GX35

GX50

GX80

GX160

GX200

PORTABLE GENERATORS



EP1000

EX2400S

EU30is

EU70is

LAWN MOWERS



HRJ196

HRJ216

OUTBOARD MOTORS

PORTABLE



BF6

BF10

BF20

BF30

MID



BF40

BF50

BF60

BF80

BF90

BIG



BF150

BF200

BF250

HONDA

Honda India Power Products Limited

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