HONDA

Honda Siel Power Products Ltd.
Head Office & Works :
Plot No. 5, Sector-41, (Kasna)
Greater Noida Industrial Development Area,
Distt. Gautam Budh Nagar (U.P.) Pin-201310
Tel. : +91-120-234 1050-59
Fax : +91-120-234 1078-79
Website : www.hondasielpower.com
CIN : L40103DL2004PLC203950
E-mail : ho.mgt@hspp.com

August 16, 2018

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

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

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

Dear Sir,

Please find the enclosed Annual Report for the Financial Year 2017-18 as required under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 duly approved and adopted by the members in the Annual General Meeting held on August 13, 2018.

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

Thanking you.

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

Sunita Ganjoo
Company Secretary

Encl: as above

HONDA

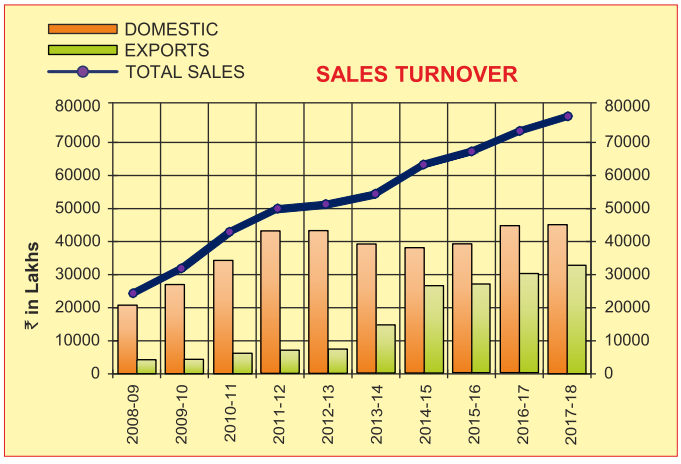
33rd ANNUAL REPORT

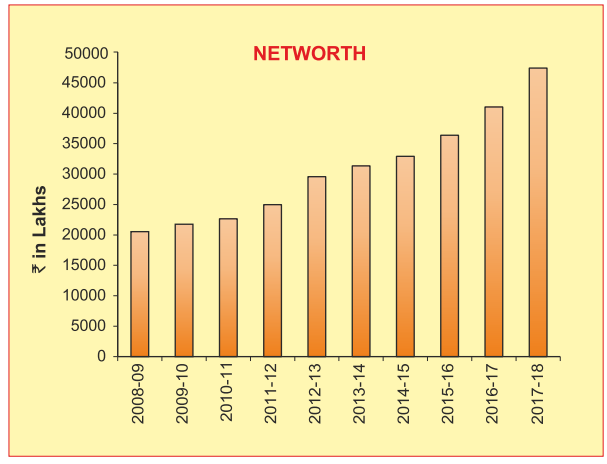
2017-2018

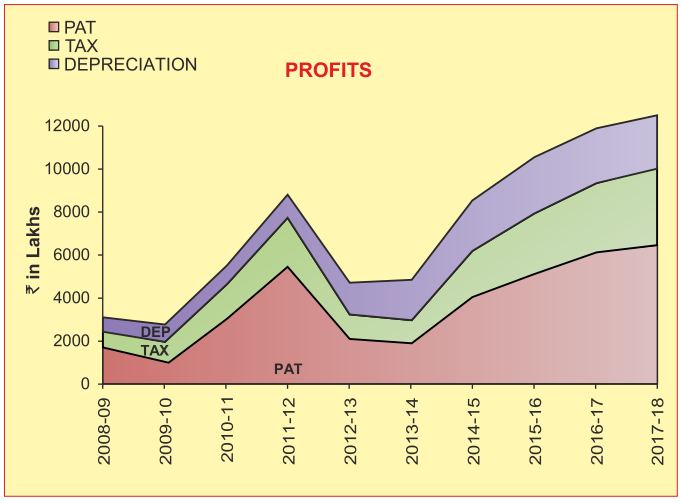


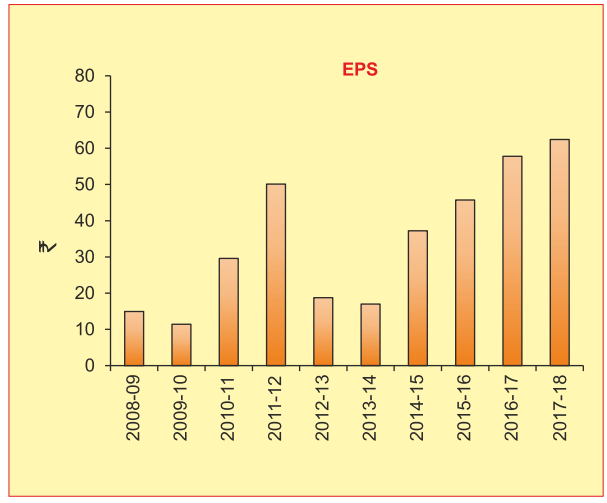
Honda Siel Power Products Limited

Ten Years Financial Performance









	SALES TURNOVER (₹ in Lakhs)			PROFIT (₹ in Lakhs)						
YEAR	DOMESTIC	EXPORTS	TOTAL SALES	PBDT	DEPRE-CIATION	PBT	TAX	PAT	EPS (₹)	NETWORTH (₹ in Lakhs)
2008-09	21159	3684	24843	3007	579	2428	864	1564	15.42	19441
2009-10	27719	4294	32013	2699	743	1956	687	1269	12.51	20235
2010-11	33823	6488	40311	5265	820	4445	1479	2966	29.24	22315
2011-12	43100	7033	50133	8304	1030	7274	2106	5168	59.95	26422
2012-13	43838	7399	51237	4501	1375	3126	1066	2060	20.31	28007
2013-14	38630	15218	53848	4647	1754	2893	1015	1878	18.52	29411
2014-15	36291	26539	62830	8025	2131	5894	2032	3862	38.08	32507
2015-16	39359	27427	66786	9889	2382	7507	2624	4883	48.14	37269
2016-17	43850	29027	72877	11156	2345	8811	3033	5778	56.97	42251
2017-18	44438	32447	76885	11685	2251	9434	3293	6141	60.54	47445

Corporate Information

Board of Directors

Mr. Siddharth Shriram
Chairman

Dr. Dharam Vir Kapur
Director

Mr. Ravi Vira Gupta
Director

Mr. Manoj Arora
Director

Ms. Alka Marezban Bharucha
Director

Mr. Yoshifumi Iida
President & CEO

Mr. Hiroyoshi Sugimizu
Whole Time Director

Mr. Vinay Mittal
Whole Time Director & CFO

Company Secretary

Ms. Sunita Ganjoo

Statutory Auditors

M/s. Price Waterhouse Chartered Accountants LLP
Building No. 8, 7th & 8th Floor, Tower-B,
DLF Cyber City, Gurugram-122 002

Registered Office

409, Tower B,
DLF Commercial Complex,
Jasola, New Delhi - 110 025

Head Office & Works

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

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83-84	PROXY/ECS MANDATE FORM

NOTICE

Notice is hereby given that the 33rd Annual General Meeting of the Members of the Company will be held on August 13, 2018 (Monday) at Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110 001 at 11:00 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company for the year ended March 31, 2018, together with the Reports of the Board of Directors and Auditors thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Mr. Siddharth Shriram (DIN 00027750), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

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

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

"RESOLVED THAT pursuant to the provisions of Section 197, 198 and Schedule V and other applicable provisions, if any, of the Companies Act, 2013 or any amendment(s) or modification(s) thereof and subject to the approvals as may be necessary, approval of the Shareholders be and is hereby accorded for payment of remuneration to Mr. Vinay Mittal, Whole Time Director (DIN 05242535) of the Company, for the period from 01.04.2018 to 31.03.2019 (both days inclusive), as recommended by the Nomination and Remuneration Committee, as per the following particulars:

Basic Salary	₹ 3,62,348/- (Rupees Three Lakh Sixty Two Thousand Three Hundred Forty Eight only) per month.
Perquisites	
Housing Allowance	₹ 1,81,174/- (Rupees One Lakh Eighty One Thousand One Hundred Seventy Four only) per month.
Special Allowance	₹ 2,72,470/- (Rupees Two Lakh Seventy Two Thousand Four Hundred Seventy only) per month.
Medical reimbursement	₹ 1,250/- (Rupees One Thousand Two Hundred Fifty Only) per month.
Child Education	₹ 200/- (Rupees Two Hundred only) per month.
Washing Allowance	₹ 2,000/- (Rupees Two Thousand only) per month.
Leave Travel Concession	₹ 45,294/- (Rupees Forty Five Thousand Two Hundred Ninety Four only) per month.
Club Fee	One Club.
Personal Accident Insurance	As per Company policy.
Medical Insurance	As per Company policy.
Car (including driver, maintenance and fuel)	As per Company policy.
Telephone	As per Company policy
Provident Fund	As per Company policy.
Superannuation Fund	As per Company policy.
Gratuity	As per Company policy.
Leave	As per Company policy.
Interest Subsidy on Housing Loan	As per Company policy.
Variable Pay	As per Company policy.

RESOLVED FURTHER THAT the reimbursement of medical expenses, leave travel concession and other perquisites, benefits, leave accrued to Mr. Vinay Mittal till 31.03.2018, not availed of, be and are hereby approved to be carried forward.

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

5. **To approve and ratify payment of remuneration to the Cost Auditors**

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s Rakesh Singh & Co., Cost Accountants appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial Year 2018-19, amounting to ₹ 1,15,000/- (Rupees One Lakh Fifteen Thousand only) (plus applicable taxes and reimbursement of out-of-pocket expenses incurred by them for carrying out the audit), be and is hereby ratified and confirmed.

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

6. **To approve increase in sitting fees to Non-Executive Directors**

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

"RESOLVED THAT in accordance with the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, and the rules framed thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and Regulation 17(6) of the Securities & Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as recommended by the Board of Directors, the proposal to pay sitting fees to Non-Executive Directors with effect from the commencement of the Financial Year 2018-19 of ₹ 60,000/- (Rupees sixty thousand only) per meeting for attending the meetings of the Board of Directors and of the Audit Committee of the Board and ₹ 50,000/- (Rupees Fifty Thousand only) per meeting, for attending the Meetings of other Committees of the Board of the Company, be and is hereby approved.

RESOLVED FURTHER THAT pursuant to Section 197 and other applicable provisions, if any, of the Companies Act, 2013, and the rules framed thereunder and Regulation 17(6) of the Securities & Exchange Board Of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors be and is hereby authorised to increase, from time to time, the sitting fees payable to Non-Executive Directors of the Company (other than

the Managing Director and/or Whole-time Directors) for attending the Board/Committee Meetings within the limits prescribed under aforementioned provisions.

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

7. Material Related Party Transactions

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

"RESOLVED THAT pursuant to provisions of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (Listing Regulations) (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to the Material Related Party transactions entered into/ to be entered into and carried out/ to be carried out in the ordinary course of business and at arm's length basis with the Related Parties, as defined under Section 2(76) of the Companies Act, 2013 and Regulation 2 (zb) of the Listing Regulations, during the period from April 01, 2017 to March 31, 2020 as detailed below:

Name of the Related Party	Nature of Relation	Nature, duration and particulars of the contract/ arrangement	Material terms of the contract/ arrangement including value (₹/Lakh)	Material terms of the contract/ arrangement including value (₹/Lakh)	Material terms of the contract/ arrangement including value (₹/Lakh)	Basis	Explanation
			FY 2017-18	**FY 2018-19**	**FY 2019-20**		
Honda Motor Co. Ltd., Japan	Holding Company	Royalty	-	3,300	3,400	6% on sale price adjusted for other cost as per agreement. Same as last year as per Existing Contract	Rate of royalty paid by the Company compared with terms agreed between unrelated parties
		Export Commission	2,498	2,700	2,800	8% on FOB value of Export Sale. Same as last year as per existing Contract	Rate of export commission paid by the Company compared with payment made in the domestic segment or terms agreed between unrelated parties
		Technical Guidance Fee	-	600	600	Monthly labour cost of technical experts and actual expenses incurred	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities or overseas related party's margin compared with other service providers
		Purchase of Raw Material, Components, Consumables	-	5,000	5,500	Cost Plus basis.	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities
		Purchase of finished goods and spares	-	2,000	2,200	Cost Plus basis.	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities
		Purchase of Capital goods	-	350	350	Cost Plus basis.	Related Party's margin (OP/TC) on sale compared with companies in similar region
		Reimbursement received and paid including warranty expenses	-	1,000	1,100	Actual basis	Evidence / Representation that price recovered is the actual cost incurred for warranty/other expenses

	Name of the Related Party	Nature of Relation	Nature, duration and particulars of the contract/ arrangement	Material terms of the contract/ arrangement including value (₹/Lakh)	Material terms of the contract/ arrangement including value (₹/Lakh)	Material terms of the contract/ arrangement including value (₹/Lakh)	Basis	Explanation
				FY 2017-18	FY 2018-19	FY 2019-20		
			Export Sale of finished goods & spares	-	1,000	1,200	Pricing/Terms & Conditions are not more favorable than the sales made to unrelated party	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities
			Model fee	-	140	140	Lump sum fees as per Agreement	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities
	Asian Honda Motor Co. Ltd., Thailand	**Fellow Subsidiary**	Purchase of Raw Material, Components, Consumables, Spares	-	3,000	3,500	Cost Plus basis.	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities
			Purchase of finished goods	-	4,500	5,000	Cost Plus basis.	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities
			Reimbursement received and paid including warranty expenses	54	70	70	Actual basis	Evidence / Representation that price recovered is the actual cost incurred for warranty / other expenses
			Export Sale of finished goods & spares	-	60	60	Pricing/Terms & Conditions are not more favourable than the sales made to unrelated party	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities
	America Honda Motor Co. Inc., America	**Fellow Subsidiary**	Export Sale of finished goods & spares	-	24,200	24,200	Pricing/Terms & Conditions are not more favourable than the sales made to unrelated party	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities
			Reimbursement received and paid including warranty expenses	-	220	220	Actual basis	Evidence / Representation that price recovered is the actual cost incurred for warranty / other expenses

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

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

Place: New Delhi
Date: May 24, 2018

Sunita Ganjoo
Company Secretary

NOTES

1. None of the Directors, Key Managerial Persons or their relatives have any concern, financial or otherwise and does not have any conflict of interest in Item No. 4 to Item No. 7 except as expressed under the respective items in the explanatory statement.
2. 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.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL EQUITY SHARE CAPITAL OF THE COMPANY. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL EQUITY SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER SHAREHOLDER.**

   THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A BLANK PROXY FORM IS ATTACHED TO THIS REPORT. PROXIES SUBMITTED ON BEHALF OF SHAREHOLDERS WHO ARE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY APPROPRIATE RESOLUTION/ AUTHORITY.
4. 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.
5. Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from August 07, 2018 to August 13, 2018 (both days inclusive).
7. Payment of Dividend

   The Dividend on Equity Shares for the year ended March 31, 2018, as recommended by the Board, if declared at the meeting will be paid as follows:

   i) In respect of shares held in physical form, to those Members whose names appear in the Register of Members of the Company on August 13, 2018 after giving effect to all valid share transfers lodged with the Company on or before August 06, 2018.

   ii) In respect of shares held in electronic form, to those beneficial owners whose names appear in the statement of beneficial ownership furnished by National Securities Depository Limited and Central Depository Services (India) Limited as at the end of business hours on August 06, 2018.

   The members are hereby informed that the Company would transfer the dividend which remains unclaimed over a period of 7 years to the Investor Education and Protection Fund ('IEPF') established under Section 125 of the Companies Act, 2013.

   The Company has already transferred unclaimed dividend upto Financial Year 1994 - 95 to the General Revenue Account of the Central Government and for the Financial Years 1995-96 to 2009-10 to IEPF.

   Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has uploaded the details of unclaimed dividend amounts lying with the Company as on August 04, 2017 (date of last Annual General Meeting) on the website of the Company **(www.hondasielpower.com)**, and also on the website of the Ministry of Corporate Affairs.

   Following are the details of dividend 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
2010-11	10.08.2011	09.09.2018
2011-12	31.08.2012	30.09.2019
2012-13	05.08.2013	04.09.2020
2013-14	05.08.2014	04.09.2021
2014-15	12.08.2015	11.09.2022
2015-16	11.08.2016	10.09.2023
2016-17	04.08.2017	03.09.2024

   In terms of provisions of Section 124(6) of Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, during the Financial Year 2017-18, shares on which dividend had not been encashed/claimed for a continuous period of last seven years i.e. from F.Y. 2009-10 had been 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 (www.hondasielpower.com).

   The Company, in compliance with the aforementioned provisions shall during the Financial Year 2018-19 transfer the shares on which dividend has not been encashed/claimed for a continuous period of seven years i.e. from Financial Year 2010-11, alongwith the dividend thereof to the Investor Education and Protection Fund.

   Further, the Company shall not be in a position to entertain the claims of the shareholders for the unclaimed dividend, which has been transferred to the credit of IEPF. Accordingly, the shareholders are advised to send all the uncashed dividend warrants pertaining to the years 2010-11 and upto 2016-17 to our Registar and Share Transfer Agent at New Delhi for issuing demand drafts in lieu thereof and encash them before the due dates for transfer to IEPF.

8. a. Members holding the shares in electronic mode may please note that their dividend would be paid through National Electronic Clearing System (NECS) or Electronic Clearing Services (ECS) at the available RBI locations. The dividend would be credited to their bank account as per the mandate given by the members to their Depository Participants (DPs). In the absence of availability of NECS/ECS facility, the dividend would be paid through warrants and the Bank details, as furnished by the respective Depositories to the Company will be printed on their dividend warrants as per the applicable Regulations. A blank ECS Mandate Form is annexed. The same is also available on the website of the Company at www.hondasielpower.com.

   b. Members are requested to send their Bank Account particulars (viz. Account No., name and Branch of the Bank and the MICR code) to their DPs, in case the shares are held in electronic mode or to the Registrar and Share Transfer Agent in case

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

9. In terms of Section 101 and 136 of the Companies Act, 2013 read together with the Rules made thereunder, the copy of the Annual Report including Financial Statements, Board's Report etc. and this Notice is being sent by electronic mode, to those members who have registered their email IDs with their respective Depository Participants or with the Registar and Share Transfer Agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to ho.legal@hspp.com, mentioning your Folio/DP ID & Client ID.

10. Members may also note that the Notice of the 33rd Annual General Meeting and the Annual Report for Financial Year 2017-18 is also available on the Company's website www.hondasielpower.com.

11. Documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting and at the venue of the meeting.

12. Voting through electronic means

i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than the venue of the AGM ("remote e-voting") is provided by Central Depository Services (India) Limited (CDSL).

ii. The facility for voting through ballot paper will be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

iii. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

iv. The Board of Directors of the Company has appointed Mr. Tanuj Vohra of M/s TVA & Co., LLP, Company Secretaries as Scrutiniser to scrutinise the poll and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for the said purpose.

v. The results will be declared within 48 hours after the Annual General Meeting of the Company. The results declared along with the Scrutinizer's Report will be placed on the Company's website **www.hondasielpower.com** and on the website of CDSL **www.evotingindia.com** and the same will also be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed. The results as aforementioned shall also be displayed on the notice board of the Registered Office and Head office of the Company as per the requirement of Secretarial Standards on General Meetings.

vi. Voting shall be reckoned on the paid-up value of shares registered in the name of member/beneficial owner (in case of electronic share holding) as on the cut off date i.e. August 06, 2018, the date prior to the commencement of Book closure.

Only those persons, whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off-date i.e. August 06, 2018 will be entitled to avail the remote e-voting facility.

vii. Any person, who acquires shares in the Company and becomes member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. August 06, 2018, may follow the same procedure as mentioned below for remote e-voting. However, if the member is already registered with CDSL for remote e-voting then he/she can use his/her existing password for casting his/her votes. If the member has forgotten his/her login password then he/she may go to website www.evotingindia.com then click on Shareholders, enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

viii. Instructions and other information relating to remote e-voting.

(i) The remote e-voting facility will be available during the following period:

- Commencement of remote e-voting - from 9:00 am onwards on Friday, August 10, 2018.
- End of remote e-voting - upto 5:00 pm on Sunday, August 12, 2018.

During this period shareholders of the Company, holding equity shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 06, 2018, may cast their vote electronically. The remote e-voting module will be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member will not be allowed to change it subsequently.

(ii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iii) Click on Shareholders/Members.

(iv) Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If the shareholder(s) is/are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then his/her existing password is to be used.

(vii) If the shareholder(s) is/are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for shareholding in demat as well as in physical form)
	• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	• Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. • If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

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

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for Honda Siel Power Products Ltd.

(xii) On the voting page, you will see **"RESOLUTION DESCRIPTION"** and against the same the option **"YES/NO"** for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the **"RESOLUTIONS FILE LINK"** if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on **"SUBMIT".** A confirmation box will be displayed. If you wish to confirm your vote, click on **"OK"**, else to change your vote, click on **"CANCEL"** and accordingly modify your vote.

(xv) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on **"Click here to print"** option on the Voting page.

(xvii) If a demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

(xviii) **Shareholders can also cast their votes using CDSL's mobile app m-voting available for android based mobiles. The m-voting app can be downloaded from Google Play Store. iPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) **Note for Non–Individual Shareholders and Custodians.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be emailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

13. Information regarding variation in the remuneration of Directors and the Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting, requiring disclosure in terms of the Secretarial Standard on "General Meetings", and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed hereto.

14. Members are requested to:

a) Send their queries, if any, to reach the Company's Registered Office at 409, Tower B, DLF Commercial Complex, Jasola, New Delhi–110025 at least 10 days before the date of the Meeting so that information can be made available at the Meeting.

b) **Avail the dematerialization facility and get their shareholding dematerialized by sending the Dematerialization Request Form alongwith the share certificates through their Depository Participant as it has been mandated by Securities and Exchange Board of India effective December 04, 2018. Accordingly, the Company shall not process any application for registration of transfer of shares in physical form with effect from aforementioned date.**

c) Notify immediately any change in their address to the Company or to the Company's Registrar and Share Transfer Agent quoting their folio number and also notify their e-mail address for prompt services.

15. M/s Mas Services Ltd. is Registrar and Share Transfer Agent of the Company. All investor related communication may be addressed to:

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

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to M/s Mas Services Ltd., Registrar and Share Transfer Agent of the Company.

17. In terms of Section 72 of the Companies Act, 2013 Members of the Company may nominate a person to whom the shares held by them shall vest in the event of death of a member. In case you wish to avail the nomination facility in respect of shares held by you, please write to M/s Mas Services Ltd., Registrar and Share Transfer Agent of the Company.

18. Members holding shares in more than one folio in the same name(s) are requested to send the details of their folios along with share certificates so as to enable the Company to consolidate their holding into one folio.

19. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of Contracts or Arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection at the venue of AGM.

20. As per the requirement of the Secretarial Standard-2 on "General Meeting", Route Map showing directions to reach to the venue of the 33rd Annual General Meeting is given at the end of this Notice.

21. Members may please note that briefcase, bag, mobile phone and/or eatables shall not be allowed to be taken inside the hall for security reasons.

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

Name of the Director	**Mr. Siddharth Shriram**	**Mr. Vinay Mittal**
Age/Years	73	51
Date of appointment / re-appointment	19.09.1985	01.04.2012/01.04.2017
Expertise in specific functional Areas/brief resume	Mr. Siddharth Shriram is an Industrialist and has been Managing various industries like Engineering, Chemicals and Sugar. His association with Citibank has enabled him to acquire significant working knowledge in Finance and Banking areas.	Mr. Vinay Mittal has around 28 years of wide and varied experience in the field of Finance & Accounting, Direct & Indirect Tax, Imports, Secretarial and General Management in various industries.
Qualifications	Graduation from St. Stephen College- Delhi University M.Sc. in Management from MIT, USA as a Sloan Fellow	- Graduate in Commerce from Delhi University - Fellow Member of The Institute of Chartered Accountants of India
Name of other Indian companies in which directorship held	1. Siel Industrial Estate Limited 2. V.V. Servotech Private Limited 3. Siel Infrastructure & Estate Developers Pvt. Ltd.	NIL
Chairman/ Member of Board Committees in Indian Companies	**Honda Siel Power Products Limited** a) Corporate Social Responsibility Committee - Chairman b) Stakeholders Relationship Committee - Member c) Nomination & Remuneration Committee - Member d) Board Committee on Financial Matters - Member **Siel Industrial Estate Limited** Audit Sub Committee - Chairman	**Honda Siel Power Products Limited** - Stakeholders Relationship Committee – Member - Corporate Social Responsibility Committee - Member - Board Committee on Financial Matters – Member - Risk Management Committee- Member
Shareholding in the Company	50 equity shares of ₹10 each	NIL
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	NIL	NIL
The number of Meetings of the Board attended during the year	5	5
Remuneration to be paid	Except Sitting fees no remuneration is paid. (Details of Sitting fees are provided in Corporate Governance Report)	Details of remuneration provided in the resolution
Remuneration last drawn	Not applicable	₹ 9.17 lakh p.m.
Relationship	There are no inter-se relationships between the Directors and other Board Members	

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

The Members had approved the remuneration of Mr. Vinay Mittal as Whole Time Director of the Company from 01.04.2017 to 31.03.2018 at the Annual General Meeting of the Company held on August 04, 2017.

Pursuant to the recommendation of Nomination and Remuneration Committee, remuneration to be paid to Mr. Vinay Mittal from 01.04.2018 to 31.03.2019 was approved by the Board on May 24, 2018.

The reimbursement of medical expenses, leave travel concession and other perquisites, benefits, leave accrued to him till 31.03.2018, if not availed of, have also been approved to be carried forward.

Except Mr. Vinay Mittal, 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 commends the Resolution set out at Item No. 4 for the approval of Members.

ITEM NO. 5

Pursuant to Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a cost accountant in practice. On the recommendation of the Audit Committee, the Board of Directors appointed M/s. Rakesh Singh & Co., Cost Accountants as the Cost Auditor of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2018-19, at a remuneration of ₹ 1,15,000/- (Rupees One Lakh Fifteen Thousand only) (plus applicable taxes and reimbursement of out-of-pocket expenses incurred by them for carrying out the audit). The remuneration to the Cost Auditor requires your ratification and confirmation. The Board recommends the Resolution set out at item No. 5 of the accompanying Notice for ratification.

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

ITEM NO. 6

The Company is paying sitting fees of ₹ 40,000 to its Non-Executive Directors for attending Meeting of the Board and Committee thereof.

The Companies Act, 2013 has entrusted new responsibilities on the Non-Executive Directors and widened their duties and liabilities and enhanced their current role. In view of the valuable contribution made by them towards overall engagement with the Company on various policies, strategic and governance related issues, it is proposed to increase the sitting fees to be paid to the Non-Executive Directors for attending the Meetings of the Board and Committees thereof.

On recommendation of Nomination and Remuneration Committee and approval of the Board, it is proposed to seek approval of the members of the Company under Section 197 of the Companies Act, 2013 and Clause 17 of the Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for increase in sitting fees for attending the Meeting of the Board and Committees thereof. Accordingly, consent of the members is sought for passing an ordinary resolution as set out at Item No. 6 of the Notice.

All the Non-Executive Directors of the Company/their relatives are interested in the resolution set out at Item No. 6 of the Notice. Other than this none of the directors, key managerial personnel or any of their relatives, are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

ITEM NO. 7

Pursuant to Section 188 of the Companies Act, 2013 ('the Act'), read with the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules'), the Company is required to obtain consent of the Board of Directors and approval of the members by way of ordinary resolution, in case certain transactions with related parties exceeds such sum as specified in the Rules. The transactions entered into/to be entered into with the related parties are in the ordinary course of business and on arm's length basis. However, pursuant to Regulation 23 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), approval of the members through ordinary resolution is required for all Material Related Party Transactions. All the Related Party Transactions entered into/to be entered into by the Company are at arm's length basis and in the ordinary course of business and prior approval of the Audit Committee and subsequent approval by the Board is obtained, wherever required.

As per the provisions of Listing Regulations, approval of the Members was taken in the Annual General Meeting held on August 04, 2017 for the material related party transactions for the Financial Year 2017-18. However, during the year under review, certain transactions were carried out, with the prior approval of the Audit Committee, which exceeded the approved transactions for the Financial Year 2017-18.

Further, based on past trend, the transactions as described in the resolution above for the period from April 01, 2018 to March 31, 2020, are likely to exceed the materiality threshold as prescribed by Listing Regulations. Thus, in terms of the provisions of Listing Regulations, these transactions would require the approval of the members by way of an Ordinary Resolution and all entities falling under the definition of related parties shall abstain from voting on the resolution.

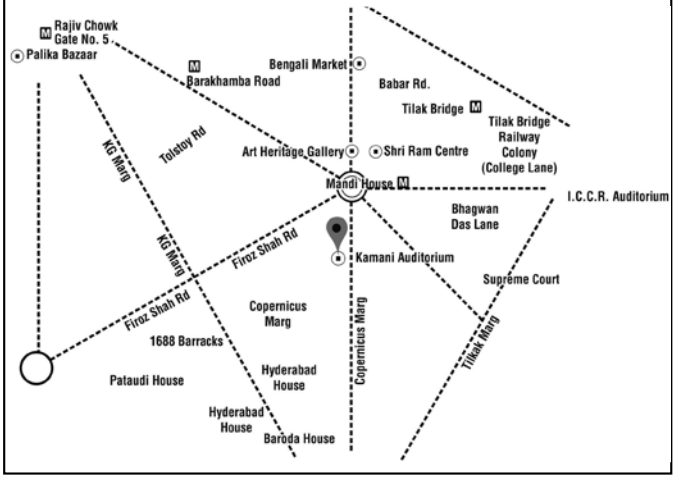
None of the Directors or any of the Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise and does not have any conflict of interest in the resolution.

However, Mr. Yoshifumi Iida, Mr. Hiroyoshi Sugimizu and Mr. Vinay Mittal may be deemed to be concerned in their capacity as nominees of Honda Motor Co., Ltd., Japan.

By order of the Board
For Honda Siel Power Products Limited,

Sunita Ganjoo
Company Secretary

ROUTE MAP FOR REACHING AGM VENUE



BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 33rd Annual Report together with Audited Financial Statements of the Company for the year ended March 31, 2018.

1. a) Financial Highlights

(₹ in lakhs)

Particulars	Year Ended	
	March 31, 2018	March 31, 2017
Revenue from Operations	77,741	73,622
Other Income	1,547	1,617
Profit before depreciation and exceptional items	11,685	11,156
Depreciation	2,251	2,345
Profit before tax	9,434	8,811
Tax Expenses	3,293	3,033
Profit after Tax	6,141	5,778
Other Comprehensive Income	(31)	(63)
Total Comprehensive Income for the year	6,110	5,715
Balance of profit brought forward	28,754	23,772
Dividend	761	609
Tax on Dividend	155	124
Balance carried to Balance Sheet	33,948	28,754

b) Indian Accounting Standards (Ind AS)

The Company in line with the statutory requirement has adopted Ind AS w.e.f. April 01, 2017. Accordingly, Financial Statements for the Financial Year ended March 31, 2018 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions thereof. Previous periods figures have been restated as per Ind AS to make them comparable. Accordingly, the financial highlights as stated above is an extract of the Financial Statements prepared in accordance with the said Standards.

c) **Results of Operations and the state of Company's affairs**

Your company achieved aggregate revenue from operations of ₹ 77,741 lakh in 2017-18 (as against ₹ 73,622 lakh in 2016-17). This marks a growth of 5.6% over the previous year.

The year saw the introduction of 1HP Brush Cutter targeted for light duty users. Besides, the thrust on construction sector, led by promoting usage of advanced technology Gasoline Engines, is yielding results.

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

2. Dividend

Your Directors recommend a dividend of ₹ 9/- per equity share of ₹ 10/- each (90%) for the year ended 31st March 2018 (previous year 75%). The total outgo on this account (including dividend tax) will be ₹ 1,101 lakh.

3. Transfer of Amount to Investor Education and Protection Fund

In compliance with Section 125 of the Companies Act, 2013, the Company had transferred a sum of ₹ 3,55,184/- during the Financial Year 2017-18 to the Investor Education and Protection Fund established by the Central Government. The said amount represents unclaimed dividend which was lying with the Company for a period of seven years from the due date of payment.

At the beginning of the Financial Year, reminders for claiming/ encashing dividend lying with the Company as aforesaid were sent to all such shareholders prior to transferring the same to Investor Education and Protection Fund.

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

In terms of provisions of Section 124(6) of Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shares of the Company, in respect of which dividend entitlements have remained unclaimed for seven consecutive years or more, were transferred by the Company to Investor Education and Protection Fund during the year 2017-18.

In terms of aforementioned provisions/rules, individual notices were sent to concerned shareholders providing them an opportunity to claim dividend for the Financial Year 2009-10 onwards. The said notice alongwith the details of concerned shareholders was published in the leading newspapers having wide circulation. Details were also updated on the website of the Company **(www.hondasielpower.com)** simultaneously.

Details of the shares lying with NSDL/CDSL in demat suspense account or unclaimed suspense account are as under:

1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	575 Number Shareholders holdings 35924 shares
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	2
3.	Number of shareholders to whom shares were transferred from suspense account during the year;	NIL
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	575 Number Shareholders holdings 35924 shares
5.	Voting rights	Frozen till the rightful owner claims the shares

5. Environment Protection and Safety

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

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

6. Occupational Health & Safety

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

7. Extract of Annual Return

Pursuant to section 92(3) of the Companies Act, 2013 ('the Act') and rule 12(1) of the Companies (Management and Administration) Rules, 2014, extract of Annual Return is Annexed as **Annexure–C** and forms part of this report.

8. Details of Board Meetings

During the year five Board meetings were held. Compliance reports of all laws applicable to the Company were reviewed by the Board at each meeting.

The Board has been given presentations / briefed on areas covering operations of the Company, business strategy and risk management practices, before approving the quarterly / annual Financial Statements of the Company.

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

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

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

Date of the meeting	Total No. of Directors on the Board of Directors	No. of Directors attended the meeting
May 15, 2017	8	6
August 04, 2017	8	7
September 08, 2017	8	8
November 16, 2017	8	8
February 12, 2018	8	7

No resolution by circulation was passed by the Board of Directors during the Financial Year 2017-18.

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

9. Committees of the Board

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

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

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

a.) Vigil Mechanism / Whistle Blower Policy

As per the provisions of Section 177(9) of the Companies Act, 2013 read with Rules thereof and Regulation 4(2)(d)(iv) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in line with the commitment of the Company to highest standards of ethical, moral and legal business conduct and transparent approach, the Vigil Mechanism/ Whistle Blower Policy in the name of Business Ethics Proposal Line (BEPL) has been established.

For the effective implementation of the policy, the Company has constituted a Business Ethics Committee (BEC) comprising of directors/senior executives, to customer provide an opportunity to all Directors, Associates, Vendors, Customers to access BEC in good faith, in case an unethical or improper practice in the Company is observed.

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

b.) Risk Management Policy

The Company has in place the Risk Management Process/ Policy. The key risk areas are monitored and assessed prudentially and effectively.

To have the best practice/procedure within the Company, during the year under review the said policy has been revised to align with the Honda Global Risk Management Policy. The risk reporting channels, crisis level reporting criterion and response structure thereof was, inter-alia, established through the medium of such revision. Risk awareness sessions were conducted to improve employees' awareness of possible risks and management thereof.

With a view to review the adequacy and effectiveness of policies and management procedures for providing a sound internal control framework over the Company's major business processes, an extensive programme of Internal Audits and Management Reviews support the same.

Further, in pursuance to Section 177(4)(vii) of the Companies Act, 2013, Regulation 18(3) and Schedule II Part- C of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Audit Committee reviews and evaluates the internal financial controls and risk management system of the Company.

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

11. Directors' Responsibility Statement

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

(a) in the preparation of the Annual Accounts for the year ended March 31, 2018 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, 2018.

(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), Secretarial Standard-2 (General Meetings) issued and amended from time to time, by the Institute of Company Secretaries of India.

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

The Company has not made any loans, guarantees or investments under Section 186 of the Companies Act, 2013 during the year under review.

13. Auditors

i) Statutory Auditors

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

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

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

ii) Cost Auditors

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s Rakesh Singh & Co., Cost Accountants as Cost Auditors of the Company for the Financial Year 2018-19. M/s Rakesh Singh & Co., have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the past several years. A certificate from M/s Rakesh Singh & Co., Cost Accountants has been received to the effect that their appointment as Cost Auditors of the Company, if made, would be in accordance with the limits specified under Section 141 of the Companies Act, 2013 and Rules framed thereunder.

Their remuneration as mentioned in the Notice convening 33rd Annual General Meeting shall be subject to the approval of the Members.

iii) Secretarial Auditor and Secretarial Audit Report

The Secretarial Audit was carried out by M/s TVA & Co. LLP, Company Secretaries, for the Financial Year 2017-18.

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

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

In terms of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Audit Committee recommended and the Board of Directors appointed M/s. TVA & Co., LLP, as the Secretarial Auditors of the Company for the Financial Year ending March 31, 2019. M/s TVA & Co., LLP has confirmed that their appointment as Secretarial Auditor of the Company is in accordance with the applicable provisions of the Act and rules framed thereunder.

14. Related Party Transactions

In line with the requirements of the Companies Act, 2013 and Listing Regulations, all related party transactions are entered into, on arm's length basis, in the ordinary course of business.

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

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, prior approval of the Audit Committee has been obtained for all related party transactions. Omnibus approval was obtained for un-foreseen transactions. A report on the transactions, specifying the nature, value and terms and conditions of the same, done during the quarter vis- à-vis the approval granted were presented to the Audit Committee on a quarterly basis for its review. The transactions which were likely to cross materiality threshold, as prescribed, were placed before the Members for their approval.

The Related Party Transactions Policy, as approved by the Board, may be assessed at the Company's website at https://www.hondasielpower.com.

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

The Company has Internal Control over Financial Reporting (ICOFR) framework, commensurate with the size, scale and complexity of its operations. The framework has been designed to provide reasonable assurance with respect to recording and providing reliable financial and operational information, complying

with applicable laws, safeguarding assets from unauthorized use and embezzlement, executing transactions with proper authorization and ensuring compliance with corporate policies.

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

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

16. Corporate Social Responsibility initiatives

In compliance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee and statutory disclosures with respect to the CSR Committee and an Annual Report on CSR Activities forms part of this Report as **Annexure–E**.

Your company collaborated with CII and contributed in social development projects of Uttar Pradesh Government for the enhancement of Government school's infrastructure. The Company also contributed to Prime Ministers National Relief Fund to support Government's noble cause.

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

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

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

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

The Policy on 'Criteria for appointment of Directors' and 'Remuneration to be paid to Directors, Key Managerial Personnel (KMP) and other employees etc.' may be accessed on the Company's website at the link https://www.hondasielpower.com.

18. Criteria of Independence

The Nomination and Remuneration Committee assesses the independence of Directors at the time of appointment/ re- appointment pursuant to the criteria laid down by the Company in line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Determination of independence is being re-assessed when any new interests or relationships are disclosed by a Director.

19. Declaration by Independent Directors

The Board of your Company consists of Dr. Dharam Vir Kapur, Mr. Ravi Vira Gupta, Mr. Manoj Arora and Ms. Alka Marezban Bharucha as Independent Directors. These Directors have confirmed that they fulfil all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the Rules thereunder.

20. Directors and Key Managerial Personnel (KMP)

i) Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013 and applicable Regulations issued by the Securities & Exchange Board of India, Mr. Siddharth Shriram (DIN 00027750), Chairperson of the Company will retire by rotation at the forthcoming Annual General Meeting ('AGM') and being eligible, offers himself for re-appointment. The Board recommends his re-appointment.

Necessary resolution for the re-appointment of Mr. Shriram and disclosure in terms of the Secretarial Standard 2 (General Meetings), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, are given in the Notice convening the Annual General Meeting.

As per the confirmation received from Mr. Shriram, he is not disqualified for being appointed as Director as specified in Section 164(2) (a) and (b) of the Companies Act, 2013.

ii) Revision in remuneration

The Board of Directors in its Meeting held on May 24, 2018, on the recommendation of Nomination and Remuneration Committee at its Meeting held on the same day, approved revision in remuneration of Mr. Vinay Mittal from 01.04.2018 to 31.03.2019 (both days inclusive).

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

Revision in remuneration of Mr. Vinay Mittal from 01.04.2018 to 31.03.2019 (both days inclusive), as per the details provided in the Notice convening the Annual General Meeting, is recommended for your approval.

21. Board/Directors' Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations"). The performance of the Board and Committees thereof was evaluated on the basis of the criteria such as the composition and structure, effectiveness of processes, information, involvement of the Members and functioning etc. The Board

and the Nomination and Remuneration Committee reviewed performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive discussion and inputs in meetings, etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The review concluded by affirming that the Board as a whole, the Committees of the Board as well as all of its Members, individually, continued to display commitment to good governance, ensuring a constant improvement of processes and procedures. It was further acknowledged that every individual Member of the Board and the Committee thereof contribute its best in the overall growth of the organization.

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

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

23. Deposits

The Company has not accepted any deposits from the public/ members under Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year.

24. Buy Back of Securities

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

25. Sweat Equity

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

26. Bonus Shares

No Bonus Shares were issued during the year under review.

27. Employees Stock Option Scheme

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

28. Significant and material orders passed by the regulators

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

29. Corporate Governance

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the same. The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under the new law and had proactively adopted many provisions of the new law, in time. A separate section on Corporate Governance is annexed to this report as **Annexure – F.**

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

30. Sexual Harassment of Women at Workplace.

As per the requirement of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ('SHWW Act'), your Company has a robust mechanism in place to redress complaints reported under it. An Internal Complaint Committee (ICC) has also been set up to redress complaints received on sexual harassment. In the Financial Year 2017-18 no case of sexual harassment was reported in the Company. During the course of the year, several initiatives were undertaken to demonstrate the Company's zero tolerance philosophy against sexual harassment, which included creation of comprehensive and easy to understand training.

31. Code of Conduct and Ethics

The Board of the Company has adopted a Code of Conduct and Ethics for the Directors and Senior Executives of the Company. The object of the Code is to conduct the Company's business ethically and with responsibility, integrity, fairness, transparency and honesty. The Code sets out a broad policy for one's conduct in dealing with the Company, fellow Directors and Employees and in the environment in which the Company operates. The Code is available on the Company's website www.hondasielpower.com. A declaration signed by 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.

32. Particulars of Employees

Particulars of employees and the ratio of the remuneration of each director to the median employee's remuneration and other details in terms of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as **Annexure – J** hereof. Particulars of employees under Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report. However, in terms of Section 136(1) of the Companies Act, 2013, the Report and Accounts are being sent to the members and others entitled thereto, excluding this statement. The details are available for inspection by the Members at the Registered Office of the Company during working hours on working days for a period of 21 days before the ensuing Annual General Meeting. However, a copy of the Statement shall be made available to any member on demand.

33. Material changes and commitments affecting the financial position of the Company after March 31, 2018

There were no material changes and commitments affecting the financial position of the Company after March 31, 2018.

Acknowledgements

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

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

On behalf of the Board,
for Honda Siel Power Products Limited,

Siddharth Shriram
Chairman

MANAGEMENT DISCUSSION & ANALYSIS REPORT

DOMESTIC BUSINESS

GENERATORS

- The portable generator business continues to be impacted due to overall improvement in the power situation. However, weather disturbance in few areas and Government institutional business helped grow the sales over last year.

Opportunities

- Improvement in Power scenario has brought focus upon primary applications of Portable Gensets such as outdoor usage. Your Company is actively promoting superior features and benefits of its Genset range like the Inverter Technology and Advanced Fuel Injection (FI) feature.
- Government focus on "Digital India" and endeavor to transform to a less cash economy implies need for 24x7 connectivity and thereby uninterrupted power. Focus on digitization of economy is also dramatically changing Government's procurement process with shift towards "e-procurement" through Government Online Portal "e-GEM" (Government's Electronic Market Place). Your Company has started to receive business through this portal.
- Government of India plans to expand and integrate many social initiatives. Many of these are related to Information Technology and Education. The success of these initiatives requires investment in power back up as well. Your Company has been making efforts to reach out to such potential customers to help them carry out their activities consistently and sustainably.

Concerns

- All the models of Generator of your Company's run exclusively on Petrol. While the Company is promoting fuel efficiency advantage of its products, rising petrol prices are a cause of concern.
- Power deficit has shown a declining trend and the demand in urban areas has reduced.

Outlook

- Demand for Company's generators is expected to be driven by application based sales, inclement weather conditions and the need for uninterrupted and portable power. Further, the rural market offers opportunities for growth.

GENERAL PURPOSE ENGINES AND WATER PUMPING SETS

- Total Engine and Water Pump business registered growth over the previous year. Engine sales, in particular, were encouraging due to good response for Sprayer application and support for Agriculture and Horticulture sectors from various State Governments. Your Company could also succeed in making an entry into the Construction segment with its New 2hp Over Head Valve (OHV) Petrol Engine. This new 2hp engine has also led the Company's initiative towards shift of its line-up from kerosene to gasoline.
- Your Company has been successful in creating awareness of its fuel efficient Petrol Engine Water Pumps and has received an encouraging response from all markets.
- Engine sales to Original Equipment Manufacturers (OEM) was impacted due to uncertain policy on subsidy and its disbursement for Agriculture centered products.
- Your Company is making efforts to diversify into the Construction segment and is promoting the usage of its Engines to power compact and light construction machines leading to efficient working.
- In its endeavor to reach closer to the end customer, your Company conducted extensive demos in rural areas targeting the farming community. This has helped to build awareness about our products and show case their utility for farm operations.

Opportunities

- Infrastructure growth, farm mechanization, increasing farm incomes, Government support and scarcity of farm labour are triggers for increasing demand for our Engines and Water Pumps.
- The OHV petrol run engine based Water Pumps and Engines are expected to boost demand in areas where kerosene availability is scarce.

Concerns

- Unpredictable monsoon, subsidy allocations and disbursal.

Outlook

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

  Considering the competitive cost structure in India, the OEM (Original Equipment Manufacturer) market for agricultural and construction segments is also developing. Your Company is looking at increasing its presence in these segments by working with small manufacturers. The focus is on small and compact construction equipment like concrete vibrators and mixers. Your company is working very closely with select good quality assemblers to increase the business.

BRUSH CUTTERS

- Honda Brush cutters have been able to provide an affordable and efficient mechanized solution for farm activities like de-weeding and harvesting. Honda offers its environment friendly, cutting edge "4 Stroke" technology based fuel efficient products for such usage.
- The Company introduced a new model in the 1hp range targeting small landholders and for light usage.

TILLERS

- Honda models are registering promising growth and acceptability across the country.
- New 2hp Tiller has received an encouraging response from vegetable farmers owing to its compactness and ease of operation. Tiller business is growing due to various Government schemes that promote mechanization amongst small farmers.
- New tiller attachments for multiple applications that boost farm productivity have been well accepted and are helping farmers in various operations.

EXPORT BUSINESS

- Generator sales contribution continues to be the highest amongst all export product categories. Business from North American and Europe continues to grow.

- New Mini Tiller, F300 has been well received in Asian markets such as Indonesia, Taiwan and Korea. We expect to increase this business further in the future.

Concerns

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

Outlook

- Your company is making efforts to diversify its export mix with petrol fuelled Water Pumps, Tillers and Engines.

RISKS AND AREAS OF CONCERN

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

Mechanisms for identification of risks include periodic review across the Company, incident analysis and findings of internal audits. Risk analysis and evaluation is carried out to compare the estimated risks with the established risk criteria and thresholds to determine the priority and method of risk treatment.

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

INTERNAL CONTROLS AND SYSTEMS

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

The Audit Committee of the Board of Directors approves and reviews audit plans for the year based on internal risk assessment. Audits are conducted on an ongoing basis and significant deviations are brought to the notice of the Audit Committee of the Board of Directors following which corrective action is recommended for implementation. All these measures facilitate timely detection of any irregularity and early remedial steps.

FINANCIAL PERFORMANCE

During the year 2017-18 sale of products was ₹ 75,884 lakh as against ₹ 71,790 lakh in the previous year. This represents an increase of 5.70% in terms of value over previous year.

Profit before Tax and Exceptional Items for the year was ₹ 9,434 lakh as against ₹ 8,811 in 2016-17.

HUMAN RESOURCES

In today's dynamic business landscape, it is imperative to continuously realign and craft our human strategy for continuously delivering value to all our stakeholders. Your Company constantly endeavours to create an environment that is encouraging for the associates to innovate and collaborate to leverage the collective knowledge. "Leading evolution to clean and stable life"; describes our intention to profound level of innovation and constant urge to match the societal and environmental panorama.

In order to propel the organization's growth, the Company constantly strive for highest level of Employee engagement by stringently cultivating the driving factors, enabling infrastructure and working environment. The Company is happy to announce that all the Associates have again shown a positive trend in the engagement levels in recent survey conducted in 2017.

The HR department ceaselessly focus on Associates' performance and career development. Enduring vision of instigating succession at critical roles is prioritized. Leadership development is driven meticulously to incubate the latent potential and affinity to embrace higher roles in the hierarchy.

Your Company relentlessly focuses on skill enhancement and development of associates during its entire employment journey with the organization. Your company always endeavours to embrace diversified talent to bring in creativity across.

The Company bases its policies and decisions on deeply rooted business ethics, a culture in which employees are naturally disposed to act ethically. Strong corporate governance structure and Honda way of working guides us at every step.

The Company as on March 31, 2018 had 764 Associates.

INFORMATION TECHNOLOGY

Your Company is comprehensively embracing information technology to leverage its potential and sail through the changes. Oracle E-Business Suite was successfully upgraded to align the requirement of GST framework along with rolling out of Quality Assurance module. Embracing future customer needs, field staff is equipped with handy mobile apps to infiltrate the current trends in the market, ROI, comparative study and prospective customer base with quick response time. A unique software for plant and machinery maintenance is also implemented to better control and manage the machine down time and maintenance schedules. Your company has also strengthened the network and its security in view of data leakage through malware attacks.

CAUTIONARY STATEMENT

Statements in this Management Discussion and Analysis Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include significant changes in political and economic environment in India and key markets abroad, tax laws, litigation, labour relations and interest costs.

Annexure – B To Board's Report

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: - Stoppage of idle running of motors in Tool Room & Crank Shaft Machines during no production time. This activity resulted in reduction in the energy consumption of the motors by 19%. - Saving in energy consumption of blower in Effluent Treatment Plant by installing 7.5 HP energy efficient blower in place of 10 HP conventional type blower thus resulting in reduction in energy consumption of the blower by 33%. - Improving Trigeneration efficiency of Gas Generator from 72% to 83% by using surplus steam available from its Waste Heat Recovery Boiler unit for heating application in washing machines of machine shop. Electrical heating of water in washing machines was stopped by using steam through auto temperature controlled valves and steam silencers. This resulted in saving of electrical energy consumption by 64% in washing machines .
(ii)	The steps taken by the Company for utilizing alternate sources of energy	Though trial project of Parking area Solar plant was planned in the year 2017-18 but due to its small capacity and furthermore feedback of solar installation in other nearby locations being very good, thus it was decided to install Parking Solar plant alongwith Main Factory Building Roof Solar plant during the year 2018-19 so as to ensure economy of scale for good vendors.
(iii)	The capital investment on energy conservation equipments	Following capital investments were made for energy conservation equipments: ₹ 1.00 lakhs : Procurement of new 7.5 HP energy efficient blower in place of 10 HP blower at ETP. This resulted in saving of 33% of energy consumption of blower. ₹ 5.80 lakhs : Investment done for procurement and installation of steam line and steam based heating system in washing machines of machine shop. ₹ 15.10 lakh : Replacement of HPMV Lights with energy efficient LED high bay Lights in Plant resulting in energy saving in operation of lights by 54% in respective areas.

(b) Technology Absorption

(i)	The effort made towards technology absorption	- The Company has availed the service of technical specialists from the foreign collaboration who impart on the job training and guidance to the Company's engineers and technicians.
		- For development of the new technology model and to improve the manufacturing quality of in-plant /out plant parts, new manufacturing facility has been added in the following areas:
		  - Introduced GX80 100CC General Purpose Engine.
		  - Localization through In-house development of casting and machining of Cylinder Barrel/ Cover Crank Case/Cylinder Head for big size Generator Z37A Models.
		  - Continuously meeting the regulation of advance countries by updating the existing Generator Model.
		  - Manufacturing of EU55is (JNW) for Japan.
		  - Providing environment friendly packing in domestic model GX160.

(ii)	The benefits derived like Product improvement, cost reduction, product development or import substitution	The benefits derived related to: - Meeting customer as well as regulatory requirement in all product ranges like Engine and Generator - Producing environment friendly product by managing Hazardous Substance. - Cost reduction through indigenization.
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	Following information is furnished In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):
	(a) The details of technology imported	Manufacturing of Portable Inverter Generator, OHV General Purpose Engines, Water Pump Sets and agriculture products such as Tiller, Backpack Sprayer etc.
	(b)The year of Import	Technology is being imported since beginning of the collaboration agreement dated 18.10.1985, as is renewed/revamped from time to time and valid for a period of 5 years till March 31, 2022.
	(c) Whether the technology been fully absorbed	No, this is in the process of being absorbed gradually.
	(d) If not fully absorbed, area where absorption has not taken place and the reasons thereof	Technology is further to be absorbed for localization of high technology engine components and in producing the country specific products / models like: - For Engines- OHV Technology- Cost reduction parts. - For Generator – Fuel Injection system technology- Increase the efficiency of parts by Value Engineering.
(iv)	The expenditure incurred on Research and Development	NIL

(c) Foreign Exchange Earnings and Outgo

During the year, the total foreign exchange used was ₹. 21,840 lakh and the total foreign exchange earned was ₹. 31,860 lakh.

ANNEXURE-C to Board's Report

EXTRACT OF ANNUAL RETURN

as on the Financial Year ended March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main Products / Services	NIC Code of the Product/ Service	% to total turnover of the Company
1.	Generators	8502 20	65
2.	Engines	8413 10	11
3.	Water Pumps	8413 10	13
4.	Tiller/Back Pack Sprayer	8432 90 / 8424 00	1

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.N0	Name And Address Of The Company	CIN/GLN	Holding/Subsidiary/Associate	% Of Shares Held	Applicable Section
1	Honda Motor Co. Ltd.	N. A.	Holding	66.67	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	4,98,270	20	4,98,290	4.91	6,15,070	20	6,15,090	6.06	1.15
(b) Alternate Investment Funds	0	0	0	0	76,068	0	76,068	0.75	0.75
(c) Foreign Portfolio Investors	12,114	0	12,114	0.12	41,278	0	41,278	0.41	0.29
(d) Banks / FI	3,688	300	3,988	0.04	6,938	200	7,138	0.07	0.03
(e) Central Govt.	0	0	0	0	0	0	0	0	0
(f) State Govt(s)	0	0	0	0	0	0	0	0	0
(g) Venture Capital Funds	0	0	0	0	0	0	0	0	0
(h) Insurance Companies	0	0	0	0	0	0	0	0	0
(i) FIIs	0	0	0	0	0	0	0	0	0
(j) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(k) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	5,14,072	320	5,14,392	5.07	7,39,354	220	7,39,574	7.29	2.22
2. Non-Institutions									
(a) Bodies Corporate									
(i) Indian	3,34,832	453	3,35,285	3.31	2,92,874	322	2,93,196	2.89	(0.42)
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals (i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	18,26,779	1,90,177	20,16,956	19.89	18,06,445	1,50,331	19,56,776	19.29	(0.60)
(ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	2,53,659	0	2,53,659	2.5	81,000	0	81,000	0.80	(1.70)
(iii) NBFC registered with RBI	6,510	0	6,510	0.06	7,222	0	7,222	0.07	0.01
(c) Others (specify) Clearing member	24,501	0	24,501	0.24	28,664	0	28,664	0.28	0.04
NRI	1,05,998	22,312	1,28,310	1.27	1,11,083	21,737	1,32,820	1.31	0.04
Trust	25	0	25	0.00	4,462	0	4,462	0.04	0.04
Unclaimed Suspense A/c/ IEPF	0	0	0	0	35,924	0	35,924	0.35	0.35
Sub-total (B)(2):-	25,52,304	2,12,942	27,65,246	27.26	23,67,674	1,72,390	25,40,064	25.04	(2.22)
Total Public Shareholding (B)=(B)(1)+(B)(2)	30,66,376	2,13,262	32,79,638	32.33	31,07,028	1,72,610	32,79,638	32.33	0
C. Shares held by Custodian for GDRs & ADRs	**NOT APPLICABLE**								
Grand Total (A+B+C)	99,29,809	2,13,262	1,01,43,071	100	99,70,461	1,72,610	1,01,43,071	100	0

(ii) Shareholding of Promoters

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

(iii) Change in Promoters' Shareholding

There were no changes in Promoters' shareholding during the Financial Year 2017-18.

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

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year		Change in shareholding (No. of Shares)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	Increase	Decrease	No. of shares	% of total shares of the Company
1.	Reliance Capital Trustee Co. Ltd.	4,98,270	4.91	94,800	-	5,93,070	5.85
2	Param Capital Research Private Limited	1,26,869	1.25	-	-	1,26,869	1.25
3	IIFL RE Organize India Equity Fund	0	0	76,068	-	76,068	0.75
4	Laxmichand Kunverji Kenia	30,000	0.30	-	-	30,000	0.30
5.	Jayantilal Premji Shah	30,000	0.30	-	-	30,000	0.30
6	IDBI Focused 30 Equity Fund	0	0	22,000	-	22,000	0.22
7	Amit Jasani	18,400	0.18	2,600	-	21,000	0.21
8	Pulkit. N. Sekhsaria	20,000	0.20	-	-	20,000	0.20
9	F. L. Dadabhoy	19,200	0.19	-	-	19,200	0.19
10.	Panna Bankim	11,066	0.11	7,934	-	19,000	0.19
	TOTAL	**7,53,805**	**7.43**	**2,03,402**	**-**	**9,57,207**	**9.44**
Movement of Shareholders holding position in top ten shareholders as on March 31, 2018 in comparison to shareholding as on March 31, 2017							
11	Prasoon Harshad Bhatt	1,01,700	1.00	-	1,01,700	0	0
12	Jaya Harshad Bhatt	66,959	0.66	-	66,959	0	0
13	Shree Capital Services Limited	49,321	0.49	-	49,321	0	0
14	Lashit Lallubhai Sanghvi	25,000	0.24	-	25,000	0	0
15	Siddhesh Capital Market Services Private Limited	20,000	0.20	-	20,000	0	0

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

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

V. INDEBTEDNESS

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

The Company had no indebtedness with respect to secured or unsecured loans of deposits during the Financial Year 2017-18.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director (MD), Whole Time Directors (WTD):

Sl. No.	Particulars of Remuneration	Name of MD/WTD			Total Amount (₹)
		Yoshifumi Iida	Hiroyoshi Sugimizu	Vinay Mittal	
1.	Gross salary (₹)				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act,1961	89,85,763	72,30,000	92,33,841	2,54,49,604
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1,08,81,519	94,38,165	7,70,837	2,10,90,521
	(c) Profits in lieu of salary under section (17(3) of the Income Tax Act, 1961	0	0	0	0
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity	NIL	NIL	NIL	NIL
4.	Commission - as % of profit - others	NIL	NIL	NIL	NIL
5.	Others (Exempted Benefits) (₹)	1,96,194	8,727	9,96,051	12,00,972
	Total **(A)**	**2,00,63,476**	**1,66,76,892**	**1,10,00,729**	**4,77,41,097**
	Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration payable to President & CEO and Whole Time Directors shall not exceed 10% of the net profit of the Company. The remuneration paid is well within the said limits.			

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors (1)				Total Amount (₹)	Particulars of remuneration paid to other Non-Executive Directors (2)
Independent Directors	**D.V. Kapur**	**Ravi Vira Gupta**	**Manoj Arora**	**Alka M. Bharucha**		**Siddharth Shriram**
Fee for attending Board Meeting	2,00,000	2,00,000	2,00,000	1,60,000	7,60,000	2,00,000
Audit Committee	1,60,000	1,60,000	1,60,000	1,20,000	6,00,000	-
Stakeholders Relationship Committee	1,60,000	-	-	-	1,60,000	1,60,000
Nomination and Remuneration Committee	80,000	-	80,000	-	1,60,000	80,000
Board Committee on Financial Matters	-	-	-	-	-	40,000
CSR Committee	-	-	40,000	-	40,000	40,000
Independent Director's Meeting	40,000	40,000	40,000	40,000	1,60,000	-
Commission	NIL	NIL	NIL	NIL	NIL	NIL
Total (1)	**6,40,000**	**4,00,000**	**5,20,000**	**3,20,000**	**18,80,000**	-
Total (2)						**5,20,000**
Total (B)=(1+2)						**24,00,000**
Total Managerial Remuneration	**A+B**					**5,01,41,097***
Overall Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration payable to Directors other than Executive Directors shall not exceed 1% of the net profits of the Company. The remuneration paid is well within the said limits.					

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

C. Remuneration to Key Managerial Personnel other than Managing Directors and Whole Time Directors

Sl. No.	Particulars of Remuneration	Key Managerial Person Sunita Ganjoo
1	Gross salary (₹)	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	10,56,597
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1,31,700
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission - as % of profit - others	-
5	Others : Exempted Benefits (₹)	59,466
	Total (₹)	**12,47,763**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishments/compounding of offences for breach of any Section of the Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year 2017-18.

Annexure - D to Board's Report

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

We have examined the relevant registers, records and documents maintained and made available to us by Honda Siel Power Products Limited ("the Company") for the period commencing from 1st April, 2017 to 31st March, 2018 for the issuance of Secretarial Audit Report for the financial year 2017-18, required to be issued under Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the various compliances, but the maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion and the compliance of the provisions of Corporate and other applicable laws, rules and regulations is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For TVA & Co. LLP
Company Secretaries

Delhi, May 24, 2018

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

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[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]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;

(vi) Other laws as specifically applicable to the Company:-

(a) The Explosives Act, 1884 and Rules made thereunder;

(b) The Boilers Act, 1923 and Rules made thereunder;

(c) The Petroleum Act, 1934 and Rules made thereunder;

(d) The Electricity Act, 2003 and Rules made thereunder; and

(e) Fire Prevention and Fire Safety Act and Indian Standard Code of practice for selection, installation and maintenance of portable first aid fire extinguishers.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Ltd. and National Stock Exchange of India Ltd. (NSE).

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

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No change in the composition of the Board of Directors took place during the period under review.

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

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines framed thereunder.

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

For TVA & Co. LLP
Company Secretaries

Delhi, May 24, 2018

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

Annexure – E to Board's Report

Annual Report on CSR Activities of the Company

1.	A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and project or programmes	The Company's CSR Policy has been framed within the objectives prescribed under Schedule VII of the Companies Act, 2013 as per the following vision and Objective: **1. Vision:** To be an active contributor in raising the country's human development index and fulfill the role of a Socially Responsible Corporate, with environment concerns. **2. Objective:** 2.1. To align and integrate the Honda –CSR activities with the Honda philosophy and make them outcome oriented. 2.2. To sustain and continuously improve the quality of life and economic well being of the local populace. 2.3. To create a brand image of Honda which society will want to exist as a socially responsible image. CSR activities proposed to be undertaken by the Company shall be in pursuance to Section 135 read with Schedule VII of the Companies Act, 2013. The policy is also posted on the Company's website at the weblink: https:// www.hondasielpower.com.		
2.	The Composition of the CSR Committee	Name	Category/Director	
		Mr. Siddharth Shriram	Non-Executive/ Non-Independent	Chairman
		Mr. Manoj Arora	Independent	Member
		Mr. Yoshifumi Iida	Executive	Member
		Mr. Vinay Mittal	Executive	Member
3.	Average net profit of the Company for last three years (Amount in ₹ Lakh)	₹ 8074.93 Lakh		
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) (amount in ₹ Lakh)	₹ 161.50 Lakh		
5.	Details of CSR spent during the year 1) Amount to be spent for the year	₹ 161.50 Lakh		
	2) Amount Unspent, if any	NIL		
	3) Manner in which the amount spent during the financial year	a. ₹ 75.50 Lakh contributed to Confederation of Indian Industry (CII) for provision of house hold toilets and basic infrastructure in primary schools in the State of Uttar Pradesh. b. ₹ 86 Lakh Contribution to Prime Ministers National Relief Fund.		

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

SD/-
Yoshifumi Iida
President & CEO

SD/-
Siddharth Shriram
Chairman, CSR Committee

ANNEXURE – F TO BOARD'S REPORT

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on Code of Governance

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

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

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

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

2. Board of Directors

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

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

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

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

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

Boards Meetings

There is a well-organised system for seeking Board approval, which facilitates and provides room for sound and informed decision making by the Board and its Committees. Agenda and other relevant reports are circulated at least seven days ahead of the meeting. The quantum and quality of information supplied by the Management to the Board goes well beyond the minimum requirement stipulated under Companies Act, 2013, Secretarial Standard and the Regulations. Where expedient, the Board also approves resolutions by way of circulation between two successive Board meetings.

During the year under review, five Board Meetings were held on May 15, 2017, August 04, 2017, September 08, 2017, November 16, 2017 and February 12, 2018. All statutory and other important items/ information were placed before the Board for approval/review.

The composition of the Board of Directors, attendance of the Directors at the Board Meetings and Annual General Meeting, number of Directorships in Indian Public Limited Companies and Membership of Committee(s) (Audit and Stakeholders Relationship Committee) of the Board of such Companies are as follows:

S. No.	Name of Director/ Member	Category	Attendance at the last AGM	No. of Board Meetings attended	Number of Directorships in other Public Companies	Number of Committees Membership including (Chairmanship)	Number of shares held
1	Siddharth Shriram	Non-ID/NED	Yes	5	1	2(1)	50
2	D. V. Kapur	ID/NED	Yes	5	1	4(3)	Nil
3	Ravi Vira Gupta	ID/NED	Yes	5	3	3(1)	Nil
4	Manoj Arora	ID/NED	Yes	5	1	2	Nil
5	Alka Marezban Bharucha	ID/NED	Yes	4	5	5(2)	Nil
6	Yoshifumi Iida	Non-ID/ED	Yes	5	Nil	2	Nil
7	Hiroyoshi Sugimizu	Non-ID/ED	No	2	Nil	Nil	Nil
8	Vinay Mittal	Non-ID/ED	Yes	5	Nil	1	Nil

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

Note:

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 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Membership (Chairmanship) of Audit Committee and Stakeholders Relationship Committee of Public Limited Companies have been considered.

c. None of the Directors is a member of more than 10 Board Level Committees of Public Limited Companies in which they are Directors nor is Chairman of more than 5 such Committees.

d. There has been no inter-se relationship between or among Directors of the Company.

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

The Company does not pay any remuneration to its Non-Executive / Independent Directors except ₹ 40,000/- per Meeting as sitting fees for attending Meetings of the Board and of its 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.

One-third of the Directors who are liable to retire by rotation, retire every year and are eligible for re-election as prescribed under the Companies Act, 2013 (the Act) and in terms of the Articles of Association of the Company.

Familiarization Programme for Independent Directors

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

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

Meeting of Independent Directors

During the year, the Independent Directors (IDs) met once on November 16, 2017, without the presence of Non-Independent Directors and members of the Management. At this meeting, the IDs inter-alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Committees of the Board

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

- 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 Meeting held subsequent to the date of such meetings. The role and composition of these Committees, including the number of meetings held during the Financial Year and the attendance of its members are provided below:

i. Audit Committee

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

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

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

During the Financial Year 2017-18, Audit Committee met four times on May 15, 2017; September 08, 2017; November 16, 2017 and February 12, 2018. A resolution by circulation was passed on September 14, 2017 by the Committee. The Board accepted all the recommendations made by the Audit committee. Constitution of the Committee and attendance of the members at the meetings were as under:

Name of the Member	Status	Number of Meetings Attended
Dr. D. V. Kapur	Chairman	4
Mr. Ravi Vira Gupta	Member	4
Mr. Yoshifumi Iida	Member	4
Mr. Manoj Arora	Member	4
Ms. Alka Marezban Bharucha	Member	3

ii. Nomination and Remuneration Committee

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

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

The Committee further coordinates and oversees the annual evaluation of the performance of the individual 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 Regulations and are available on our website at www.hondasielpower.com. The Committee comprises of three Non-Executive Directors, out of which two are independent Directors. The Chairman of the Committee is an Independent Director.

The Company Secretary acts as the Secretary to the Committee.

During the year under review, the Committee met on May 15, 2017 and February 12, 2018.

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

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

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.

The Nomination and Remuneration Committee has evaluated the performance of each Director for the Financial Year ended March 31, 2018. The evaluation of the performance of each Director was based on level of participation in meetings, understanding the roles and responsibilities, understanding the strategic issues and challenges in the Company.

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

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

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

Details of remuneration paid to Directors for the Financial Year 2017-18

A. Executive Directors

The details of the remuneration paid to the Whole Time Director(s) during the Financial Year 2017-18 are as under:

Name	Salary	Benefits	Bonus	Stock Options	Fixed Components	Variable Pay	Service Contract
	Amount in ₹			Amount in ₹			
Yoshifumi Iida	9,00,000	1,14,38,476	0	0	77,25,000	0	01.04.2015 to 31.03.2020
Hiroyoshi Sugimizu	9,00,000	94,46,892	0	0	63,30,000	0	01.04.2014 to 31.03.2019
Vinay Mittal	37,64,244	11,74,482	0	0	55,61,165	5,00,838	01.04.2017 to 31.03.2022

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 Financial Year 2017-18 for attending the Meetings of Board of Directors and of its Committees were as under:

Amount in ₹

Name of the Director	Board	Audit Committee	Stakeholders Relationship Committee	Nomination & Remuneration Committee	CSR Committee	Board Committee on Financial Matters	Independent Directors Meeting	Total
Mr. Siddharth Shriram	2,00,000	-	1,60,000	80,000	40,000	40,000	-	5,20,000
Dr. D. V. Kapur	2,00,000	1,60,000	1,60,000	80,000	-	-	40,000	6,40,000
Mr. R. V. Gupta	2,00,000	1,60,000	-	-	-	-	40,000	4,00,000
Mr. Manoj Arora	2,00,000	1,60,000	-	80,000	40,000	-	40,000	5,20,000
Ms. Alka Bharucha	1,60,000	1,20,000	-	-	-	-	40,000	3,20,000

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

iii. Stakeholders Relationship Committee

The remit of the Committee is to consider and resolve the grievances of the security holders of the Company, including complaints relating to transfer of shares, consolidation, splitting, transmission (except for cases of transmission where the heirs of the deceased shareholder do not produce full documentary evidence of their title to shares), re-materialization of shares, endorsement on Fully Paid share certificates which have further been sub-delegated by the Committee to the Company Secretary of the Company.

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

During the Financial Year 2017-18, the Committee met four times on May 15, 2017; September 08, 2017; November 16, 2017 and February 12, 2018. Composition of the Committee and attendance of the members at the meetings were as follows:

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

The Company Secretary acts as the Secretary to the Committee.

- Resolutions by Circulation were passed on: April 21, 2017; July 05, 2017; July 12, 2017; July 28, 2017; August 28, 2017; September 21, 2017; November 10, 2017; November 16, 2017; November 22, 2017; December 11, 2017; December 21, 2017 and March 28, 2018.

Compliance Officer

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

Investor Grievance Redressal

As on March 31, 2018, your Company had 16412 investors. During the year under review, the status of complaints was as follows:

Number of investor Complaints pending at the beginning of the year	Number of investor complaints received during the year	Number of investor complaints disposed off during the year	Number of investor complaints not redressed upto the satisfaction of shareholders during the year	Number of investor complaints pending at the end of the year
0	22	22	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 indicating the activities to be undertaken by the Company as per Schedule VII

to the Act; recommendation of the amount of expenditure to be incurred; and monitoring the CSR Policy of the Company.

During the year under review, Corporate Social Responsibility Committee met on February 12, 2018.

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

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

The 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 one time during the year on June 27, 2017. Attendance of the Members at the meeting was as follows:

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

The Company Secretary acts as the Secretary to the Committee.

vi. Risk Management Committee

The Company has voluntarily constituted Risk Management Committee for ensuring better Corporate Governance practices. The roles and responsibilities of the Committee are as prescribed under Regulation 21 of the Regulations and include monitoring and reviewing of risk management plan and reporting the same to the Board of Directors periodically, as it may deem fit.

During the Financial year, the Committee met once on February 12, 2018. Constitution of the Committee and attendance of the members at the meeting was as follows:

Name of the Member	Status	No. of meetings attended
Mr. Yoshifumi Iida , President & CEO	Chairman	1
Mr. Vinay Mittal, Whole Time Director & CFO	Member	1
Mr. Rajeev Sharma, Vice President-Works*	Member	0

*Mr. Rajeev Sharma, Vice-President-Works ceased to be Member w.e.f. January 26, 2018

Re-constitution of the Committee was proposed to the Board of Directors in the Meeting held on February 12, 2018.

3. Code of Conduct

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

Further, in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 www.hondasielpower.com. All Board Members and Senior Management personnel have affirmed compliance with the code of conduct. A declaration signed by the Chief Executive Officer to this effect is attached to this Report.

In terms of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Conduct to regulate monitor, and report trading by Insiders to deter the Insider trading in the securities of the Company based on the unpublished price sensitive information. The Code envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. During the year under review there has been due compliance with the provisions of the aforementioned Code.

4. General Body Meetings

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

Financial Year	Date	Time	Location	Special Resolution Passed for
2016-17	August 04, 2017	1100 hours	Kamani Auditorium No. 1, Copernicus Marg, New Delhi-110001	No special resolution was passed
2015-16	August 11, 2016	1245 hours		Adoption of new set of Articles of Association
2014-15	August 12, 2015	1115 hours		Approval for material Related Party Transactions entered into by the Company during the Financial Year ended March 31, 2015

No resolution was passed through Postal Ballot during the Financial Year 2017-18. The Company as on the date of this report is not envisaging to pass any resolution though Postal Ballot.

5. Means of Communication

1. The quarterly, half-yearly and annual results of the Company are published in leading newspapers in India, which include Financial Express, Jansatta and Business Standard. The Company has sent these 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.
2. The results of the Company are displayed on the Company's website www.hondasielpower.com, and websites of National Stock Exchange of India Ltd. (www.nseindia.com), and BSE Limited (www.bseindia.com). The Company's website also displays the official news releases.
3. The Company made no presentation to the Analysts during the Financial year 2017-18.
4. Annual Report containing inter-alia, Financial Statements, Board's Report, Auditors' Report and other important information is circulated to Members and others entitled thereto. The Management Discussion & Analysis Report forms part of the Annual Report and is provided elsewhere in this Annual Report.

6. General Shareholders' Information

i. 33rd Annual General Meeting

Day, Date & Time	:	Monday, August 13, 2018, 11:00 A.M.
Venue	:	Kamani Auditorium, 1, Copernicus Marg, New Delhi-110001.
Financial Year	:	Year ended March 31, 2018
Book Closure	:	August 07, 2018 to August 13, 2018 (both days inclusive)
Dividend Payment Date	:	September 10, 2018

ii. Tentative Financial Calendar 2018-19 (Subject to change)

The tentative dates for approval of Unaudited / Audited Financial Results for 2018 - 19, are as follows:

Quarter ending June 30, 2018	2nd week of August, 2018
Quarter ending September 30, 2018	2nd week of November, 2018
Quarter ending December 31, 2018	2nd week of February, 2019
Quarter ending March 31, 2019	Last week of May 2019 (Audited)

iii. Dividend Details

Unclaimed dividend up to Financial Year 1994-95 has been transferred to the General Revenue Account of the Central Government and for the Financial Years 1995-96 to 2009-10 to Investor Education and Protection Fund constituted by the Central Government. Details of unclaimed dividend as on March 31, 2018 are given hereunder:

Period	Rate (%)	Date of declaration	Date of payment	Unclaimed dividend (₹)
2010-11	75	10-08-2011	31-08-2011	6,35,123.00
2011-12	90	31-08-2012	21-09-2012	6,45,201.00
2012-13	40	05-08-2013	02-09-2013	3,89,228.00
2013-14	40	05-08-2014	02-09-2014	3,43,024.00
2014-15	60	12-08-2015	08-09-2015	5,54,652.00
2015-16	60	11-08-2016	07-09-2016	5,86,992.00
2016-17	75	04-08-2017	01-09-2017	7,86,593.00

iv. Listing on Stock Exchanges and Stock Codes

The names and addresses of the Stock Exchanges on which the equity shares of the Company are listed and the respective stock codes are as under:

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

Listing fees for the year 2018 – 2019 has been paid to BSE and NSE respectively.

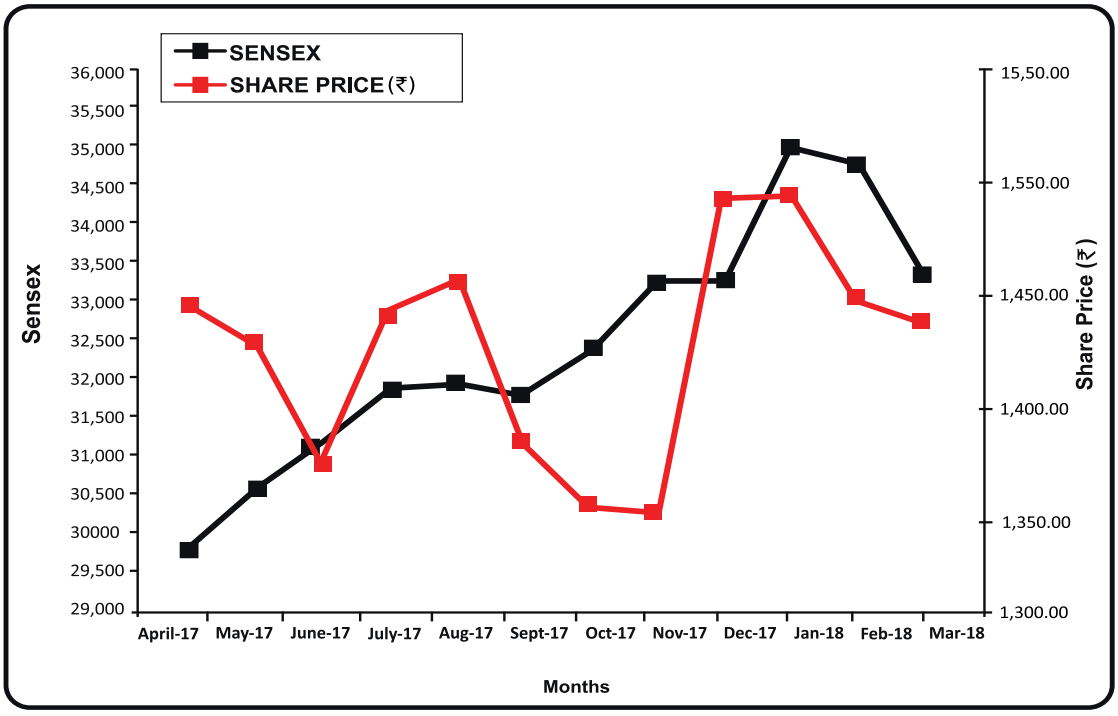
v. Stock Market Data

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

(Amount in ₹/share)

Month(s)	BSE			NSE		
	High	Low	Volume (Nos.)	High	Low	Volume(Nos.)
April - 2017	1560.00	1325.05	41,347	1,529.95	1,314.40	2,16,674
May - 2017	1515.00	1333.00	25,783	1,516.20	1,321.55	1,23,344
June - 2017	1419.00	1316.85	22,576	1,415.00	1,321.00	88,564
July - 2017	1570.00	1305.00	1,91,995	1,573.00	1,315.00	4,32,113
August - 2017	1549.00	1355.50	36,530	1,548.90	1,362.10	1,58,754
September -2017	1455.00	1300.00	19,273	1,460.05	1,294.95	1,54,271
October - 2017	1399.00	1296.10	28,694	1,390.00	1,292.00	1,25,679
November - 2017	1385.05	1301.00	31,321	1,398.00	1,303.00	1,70,085
December - 2017	1675.00	1310.00	62,308	1,649.85	1,310.00	3,22,943
January - 2018	1610.00	1380.00	74,645	1,584.00	1,377.00	2,70,318
February - 2018	1590.00	1300.00	91,215	1,590.00	1,312.70	2,43,701
March - 2018	1546.75	1321.65	23,609	1,542.00	1,300.00	1,01,311

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



vii. Registrar and Share Transfer Agents

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

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

viii. Investors' Service and Share Transfer System

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

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

The shares for transfer received in physical mode by the Company/RTA, are transferred expeditiously, provided that the documents are complete and ownership of shares under transfer is not under dispute. The share certificates duly endorsed are returned immediately. Confirmation in respect of the request for dematerialization of shares is sent to the respective depositories, NSDL/CDSL within 15 days. The Company obtains a certificate of compliance with the share transfer formalities as required under Regulation 40(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on half yearly basis from a Company Secretary in practice and files a copy of the certificate with the Stock Exchanges.

ix. Distribution of shareholding as on March 31, 2018

No. of Shareholders	% to Total	Shareholding of Nominal Value of ₹	No. of Shares	Amount in ₹	% to Total
15700	95.662	1 to 5000	11,17,597	1,11,75,970	11.018
412	2.51	5001 to 10000	3,12,338	31,23,380	3.079
164	0.999	10001 to 20000	2,37,347	23,73,470	2.340
46	0.28	20001 to 30000	1,13,002	11,30,020	1.114
24	0.146	30001 to 40000	85,549	8,55,490	0.843
13	0.079	40001 to 50000	60,542	6,05,420	0.597
29	0.177	50001 to100000	2,11,047	21,10,470	2.081
24	0.146	100001 and above	80,05,649	8,00,56,490	78.927
16412	**100**	**TOTAL**	**1,01,43,071**	**10,14,30,710**	**100**

x. Pattern of shareholding as on March 31, 2018

Categories	No. of Shares	Shareholding (%)
Promoters	68,63,433	67.67
Mutual Funds	6,15,090	6.06
Alternate Investment Funds	76,068	0.75
Foreign Portfolio Investors	41,278	0.41
Financial Institutions / Banks	7,138	0.07
Individuals	20,37,776	20.09
NBFC Registered with RBI	7,222	0.07
Bodies Corporate	2,93,196	2.89
NRIs, FIIs, OCBs etc.	1,32,820	1.31
IEPF	35,924	0.35
Others (Clearing Members & Trust)	33,126	0.33
Total	**1,01,43,071**	**100**

xi. Dematerialization of shares and liquidity

98.30% of total equity capital is held in dematerialized form with NSDL and CDSL as on March 31, 2018. During the year, (i.e. from 01-04-2017 to 31-03-2018) 188 share certificates involving 5936 shares were dematerialized by the shareholders representing 0.06% 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, 2018, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

xiii. During the period under review, the Company has not dealt in any commodity hedging activities and there are no Commodity price risks undertaken by the Company.

xiv. Plant locations

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

7. Disclosures

(i) Related parties and transactions with them as required under Accounting Standard 18 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are furnished under Note No. 29 of 'Notes to the Financial Statements for the year ended March 31, 2018.

(ii) The above transactions have no potential conflict with the interest of the Company.

(iii) There has not been any non-compliance, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

(iv) The Company promotes ethical behavior in all its business activities and has a whistle blower/vigil mechanism, in the name of Vigil Mechanism / Business Ethics Proposal Line (BEPL), in place. All the employees of the Company through this mechanism are free to report violation of laws, rules, regulations or unethical conduct of any employee of the Company.

(v) The Company has complied with all mandatory requirements as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) The Company does not have any subsidiary Company.

(vii) The policy framed for the dealing with Related Party Transactions is displayed on the website of the Company at the link: www.hondasielpower.com.

8. The status of adoption of the non-mandatory requirements as prescribed in Regulation 27(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

Audit Qualification

The Company is in the regime of Unqualified Financial Statements.

Separate Posts of Chairman and CEO

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

Reporting of Internal Auditor

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

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

10. Quarterly Compliance Report

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

11. Compliance with Code of Conduct

A declaration by the President & CEO that all Directors and Senior Management personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management for the Financial Year ended March 31, 2018 is annexed as **Annexure -G.**

12. CEO/CFO Certification

In terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors have reviewed the certificate submitted by the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company certifying various covenants about financial/ cash flow statements, internal controls, financial reporting, etc. The certificate is annexed as **Annexure– H.**

13. Compliance Certificate of Practicing Company Secretary

The Company has obtained a Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Certificate is annexed as **Annexure-I.**

ANNEXURE – G TO BOARD'S REPORT

CERTIFICATE AND DECLARATION

I, Yoshifumi Iida, in my capacity as President & CEO of Honda Siel Power Products Limited do hereby confirm and declare that as stipulated under Regulation 34(3) read with Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the best of my knowledge and belief, Members of the Board of Directors and Senior Management personnel of the Company have affirmed compliance, as on March 31, 2018, with the provisions of Code of Conduct as adopted by the Company.

This declaration has been issued on the basis of acknowledgement and confirmation, with respect to the compliance with the provisions of Code of Conduct of the Company, received from respective Members of Board of Directors and Senior Management.

For Honda Siel Power Products Limited

May 24, 2018

SD/-
Yoshifumi Iida
President & CEO

ANNEXURE – H TO BOARD'S REPORT

CERTIFICATE

We, Yoshifumi Iida, President & CEO and Vinay Mittal, Whole Time Director and Chief Financial Officer of Honda Siel Power Products Limited hereby declare and confirm-

A. That we have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief :

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

B. That there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. That we accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. That we have indicated to the Auditors and the Audit Committee:

   1. significant changes in internal control over financial reporting during the year;
   2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   3. instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

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

For **Honda Siel Power Products Limited**

May 24, 2018

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

SD/-
Yoshifumi Iida
President & CEO

ANNEXURE – I TO BOARD'S REPORT

C E R T I F I C A T E

To the Members of Honda Siel Power Products Limited

I have examined the compliance of conditions of Corporate Governance by Honda Siel Power Products Limited for the year ended March 31, 2018 as stipulated in Securities Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

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

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

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

New Delhi,
May 18, 2018

(T.V. NARAYNASWAMY)
COMPANY SECRETARY
C.P. No.: 203

ANNEXURE - J TO BOARD'S 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	15x
		Director	12x
		CFO	8x
		CS	1x
2	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	CEO	Japanese expats, salary not increased
		Director	Japanese expats, salary not increased
		CFO	14%
		CS	13%
3	The percentage increase in the median remuneration of the employees in the Financial Year	The median remuneration of the employees in the financial year was increased by 10%. The calculation of percentage increase in median remuneration is done based on the comparable employees. For this we have excluded employees who were not eligible for any increment.	
4	The number of permanent employees on the rolls of the Company	The number of employees on the rolls of the Company including Japanese expats were 764.	
5	Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentage increase made in the salaries of Employees other then managerial personnel, in the financial year was 10%. Increase in salaries of managerial personnel was also made at the same percentage. The average increase every year is an outcome of the performance of Company and Company's reward philosophy.	
6	Affirmation that remuneration is as per the remuneration policy of the Company	It is affirmed that remuneration is as per the remuneration policy of the Company	

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HONDA SIEL POWER PRODUCTS LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying Ind AS financial statements of **Honda Siel Power Products Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated May 15, 2017 and May 20, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

   Our Opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the

Act.

(e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements – Refer Note 30 to the Ind AS financial statements;

ii. The Company does not have derivative contracts and in respect of other long-term contracts there are no material foreseeable losses as at March 31, 2018;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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

Place: New Delhi
Date: 24 May, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Honda Siel Power Products Limited on the Ind AS Financial Statements for the year ended March 31, 2018

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

1. We have audited the internal financial controls with reference to financial statements of **Honda Siel Power Products Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: New Delhi
Date: 24 May, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 (f) of the Independent Auditors' Report of even date to the members of Honda Siel Power Products Limited on the Ind AS Financial Statements for the year ended March 31, 2018.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment and intangible assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets to the Ind AS financial statements, are held in the name of the Company.

ii. The physical verification of inventory including stocks with third parties have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of tax deducted at source, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including income tax, provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of goods

Name of the statute	Nature of dues	Amount (Rs. In lakhs)	Amount deposited under protest (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Customs duty	49.67	49.67	2011-2014	CESTAT
Customs Act, 1962	Customs duty	7.11	7.11	2012-2014	Commissioner Of Customs (Appeals)
Customs Act, 1962	Customs duty	22.76	22.76	2014-2015	CESTAT
Customs Act, 1962	Customs duty	1.36	1.36	2015-2016	Commissioner Of Customs (Appeals)
Customs Act, 1962	Customs duty	89.33	89.33	2014-2015	Commissioner Of Customs (Appeals)
Central Excise Act, 1944	Excise duty	2.47	0.35	December 2003 to March 2004	Customs Excise Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	181.36	-	May 2003 to Feb 2004	Supreme Court
Central Excise Act, 1944	Excise duty	102.75	-	2014-15	High Court
Central Excise Act, 1944	Excise duty	115.57*	-	2015-16	Commissioner
Central Excise Act, 1944	Excise duty	90.39*	-	2016-17	Commissioner
Various Sales Tax Acts	Sales tax	0.72	0.72	1995-1996	Assistant Commissioner
Various Sales Tax Acts	Sales tax	0.27	0.27	2005-2006	Joint Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	3.55	0.89	1999-2000	High Court
Various Sales Tax Acts	Sales tax	21.12	-	2000-2001	WBCT Appellate & revision board
Various Sales Tax Acts	Sales tax	5.23	1.57	2000-2001	Sales Tax Tribunal
Various Sales Tax Acts	Sales tax	1.74	0.43	2001-2002	Sales Tax Tribunal

Various Sales Tax Acts	Sales tax	0.52	-	2001-2002	Additional Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	0.15	-	2002-2003	Deputy Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	1.19	-	2003-2004	Deputy Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	5.96	-	2004-2005	Joint Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	4.67	1.48	2007-2008	Deputy Commissioner (Appeals).
Various Sales Tax Acts	Sales tax	1.78	0.18	2007-2008	The Appellate Authority
Various Sales Tax Acts	Sales tax	1.93	0.71	2008-2009	Deputy Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	22.83	-	2009-2010	Deputy Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	0.74	-	2012-2013	Deputy Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	32.77	16.38	2015-2016	Deputy Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	14.03	7.02	2015-2016	Deputy Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	63.49	9.53	2011-12	Deputy Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	22.43	3.37	2012-13	Deputy Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	5.66	-	2013-14	Deputy Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	15.05	-	2015-16 & 2016-17	Deputy Commissioner
Various Sales Tax Acts	Sales tax	38.35	-	2014-15	Commissioner (Appeals)
Various Sales Tax Acts	Sales tax	573.45	-	2014-15	Commissioner (Appeals)
Income-tax Act , 1961	Income tax	56.89	20.00	1995-1996	Commissioner of Income tax (Appeals)
Income-tax Act , 1961	Income tax	30.90	-	2004-2005	Commissioner of Income Tax (Appeals)
Income-tax Act , 1961	Income tax	1,612.00	570.00	2011-2012	ITAT
Income-tax Act , 1961	Income tax	1,340.00	1021.00	2012-2013	Commissioner of Income tax (Appeals)
Income-tax Act , 1961	Income tax	2,004.00	400.00	2014-15	Commissioner of Income tax (Appeals)

* Presently no demand outstanding since the refund amount was not received.

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Place: New Delhi
Date: 24 May, 2018

Balance sheet as at March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

	Notes	March 31, 2018	March 31, 2017	April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	9,709	10,271	11,022
Capital work-in-progress	3	94	33	34
Intangible assets	4	364	402	391
Intangible assets under development	4	-	-	15
Financial assets				
i. Loans	5(d)	95	105	111
ii. Other financial assets	5(e)	3,055	4,118	1
Deferred tax assets (net)	6	185	63	19
Non-current tax assets (net)	7	3,336	2,827	2,007
Other non-current assets	8	463	1,360	2,078
Total non-current assets		**17,301**	**19,179**	**15,678**
Current assets				
Inventories	9	9,076	12,084	9,565
Financial assets				
i. Trade receivables	5(a)	6,360	2,638	3,220
ii. Cash and cash equivalents	5(b)	2,116	4,104	2,276
iii. Other bank balances	5(c)	17,067	10,110	13,269
iv. Loans	5(d)	66	65	35
v. Other financial assets	5(e)	675	298	347
Other current assets	10	6,993	4,888	3,176
Total current assets		**42,353**	**34,187**	**31,888**
Total assets		**59,654**	**53,366**	**47,566**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11(a)	1,014	1,014	1,014
Other equity				
Reserve & Surplus	11(b)	46,431	41,237	36,255
Total equity		**47,445**	**42,251**	**37,269**
LIABILITIES				
Non-current liabilities				
Provisions	13	149	20	-
Total non-current liabilities		**149**	**20**	**-**
Current liabilities				
Financial liabilities				
i. Trade payables	12(a)			
-Total outstanding dues to micro and small enterprises		103	123	176
-Total outstanding dues to other than micro and small enterprises		8,405	7,028	5,964
ii. Other financial liabilities	12(b)	1,243	1,107	1,079
Provisions	13	972	829	721
Other current liabilities	14	1,337	2,008	2,357
Total current liabilities		**12,060**	**11,095**	**10,297**
Total liabilities		**12,209**	**11,115**	**10,297**
Total equity and liabilities		**59,654**	**53,366**	**47,566**

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

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

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

Abhishek Rara
Partner
Membership No. 077779

Sunita Ganjoo
Company Secretary

Place: New Delhi
Date: 24 May 2018

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

Siddharth Shriram	Chairman
D.V. Kapur	Director
Ravi V. Gupta	Director
Manoj Arora	Director
H. Sugimizu	Whole time director
Vinay Mittal	Whole time director & CFO

Statement of profit and loss for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	15	77,741	73,622
Other income	16	1,547	1,617
Total income		**79,288**	**75,239**
Expenses			
Cost of materials consumed	17	37,920	37,002
Purchases of stock in trade		5,108	6,194
Changes in inventories of finished goods, work in progress and stock-in-trade	18	2,554	(1,593)
Excise duty		961	3,444
Employee benefits expense	19	8,603	7,244
Finance costs	20	24	40
Depreciation and amortisation expense	21	2,251	2,345
Other expenses	22	12,433	11,752
Total expenses		**69,854**	**66,428**
Profit before tax		**9,434**	**8,811**
Tax expense	23		
- Current tax		3,399	3,150
- Tax related to prior years		-	(106)
- Deferred tax		(106)	(11)
Total tax expense		**3,293**	**3,033**
Profit for the year		**6,141**	**5,778**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re measurements of post-employment benefit obligations	24	(47)	(96)
Income tax relating to this item		16	33
Other comprehensive income for the year, net of tax		**(31)**	**(63)**
Total comprehensive income for the year		**6,110**	**5,715**
Earnings per equity share	33		
Basic		60.54	56.97
Diluted		60.54	56.97

The above Statement of profit and loss should be read in conjunction with the accompanying notes.

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

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

Abhishek Rara
Partner
Membership No. 077779

Sunita Ganjoo
Company Secretary

Place: New Delhi
Date: 24 May 2018

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

Siddharth Shriram	Chairman
D.V. Kapur	Director
Ravi V. Gupta	Director
Manoj Arora	Director
H. Sugimizu	Whole time director
Vinay Mittal	Whole time director & CFO

Statement of changes in equity for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

A. Equity share capital

	Notes	Amount
As at April 1, 2016		1,014
Changes in equity share capital	11	-
As at March 31, 2017		**1,014**
Changes in equity share capital	11	-
As at March 31, 2018		**1,014**

B. Other equity

		Reserves & surplus			
	Notes	Securities premium reserve	General reserve	Retained earnings	Total
Balance at April 1, 2016		**396**	**12,087**	**23,772**	**36,255**
Profit for the year		-	-	5,778	5,778
Other comprehensive income		-	-	(63)	(63)
Total comprehensive income for the year		**-**	**-**	**5,715**	**5,715**
Transactions with owners in their capacity as owners:					
Dividend paid		-	-	(609)	(609)
Dividend distribution tax on dividend paid on equity shares		-	-	(124)	(124)
		-	-	**(733)**	**(733)**
Balance at March 31, 2017		**396**	**12,087**	**28,754**	**41,237**
Balance at April 1, 2017		**396**	**12,087**	**28,754**	**41,237**
Profit for the year		**-**	**-**	6,141	6,141
Other comprehensive income		**-**	**-**	(31)	(31)
Total comprehensive income for the year		**-**	**-**	**6,110**	**6,110**
Transactions with owners in their capacity as owners:					
Dividend paid		**-**	**-**	(761)	(761)
Dividend distribution tax on dividend paid on equity shares		**-**	**-**	(155)	(155)
		-	**-**	**(916)**	**(916)**
Balance at March 31, 2018		**396**	**12,087**	**33,948**	**46,431**

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

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

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

Abhishek Rara
Partner
Membership No. 077779

Sunita Ganjoo
Company Secretary

Place: New Delhi
Date: 24 May 2018

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

Siddharth Shriram	Chairman
D.V. Kapur	Director
Ravi V. Gupta	Director
Manoj Arora	Director
H. Sugimizu	Whole time director
Vinay Mittal	Whole time director & CFO

Statement of cash flows for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

		Year ended March 31, 2018	Year ended March 31, 2017
A.	**Cash flow from operating activities**		
	Profit before income tax	**9,434**	**8,811**
	Adjustments for:		
	Depreciation and amortisation expense	2,251	2,345
	Net (gain)/loss on disposal of property, plant and equipment and intangible assets	(33)	(23)
	Interest income on bank deposits	(1,268)	(1,103)
	Interest income on income tax refund	(105)	(216)
	Finance costs	24	40
	Net unrealised exchange differences	93	88
	Provisions / liabilities written back to the extent no longer required	(121)	(254)
	Allowance for doubtful advances	3	7
	Operating profit before working capital changes	**10,278**	**9,695**
	(Increase)/Decrease in trade receivables	(3,801)	524
	(Increase)/Decrease in inventories	3,019	(2,434)
	Increase/(Decrease) in trade payables	1,463	1,199
	(Increase)/Decrease in financial assets	8	(24)
	(Increase)/Decrease in other non current assets	776	630
	(Increase)/Decrease in other current assets	(2,104)	(1,718)
	Increase/(Decrease) in provisions	225	32
	Increase/ (Decrease) in other financial liabilities	108	81
	Increase/(Decrease) in other current liabilities	(670)	(303)
	Cash generated from/ (used in) operations	**9,302**	**7,682**
	Income taxes paid including interest (net of refunds)	(3,802)	(3,694)
	Net cash inflow/ (outflow) from operating activities - Total (A)	**5,500**	**3,988**
B.	**Cash flows from investing activities**		
	Payments for property, plant and equipment	(1,397)	(1,348)
	Payments for intangibles	(184)	(224)
	Proceeds from sale of property, plant and equipment	43	38
	Investment in fixed deposits	(16,966)	(16,942)
	Proceeds from maturity of fixed deposits	11,073	15,991
	Interest received on deposits	893	1,147
	Net cash inflow/ (outflow) from investing activities - Total (B)	**(6,538)**	**(1,338)**
C.	**Cash flows from financing activities**		
	Dividend paid to company's shareholders	(761)	(609)
	Dividend distribution tax	(155)	(124)
	Interest Cost	(24)	(40)
	Net cash inflow/ (outflow) from financing activities - Total (C)	**(940)**	**(773)**
D.	**Net increase/ (decrease) in cash and cash equivalents (A)+(B)+(C)**	**(1,978)**	**1,877**
	Cash and cash equivalents at the beginning of the year	**4,104**	**2,276**
	Effects of exchange rate changes on cash and cash equivalents	**(10)**	**(49)**
	Cash and cash equivalents at the end of the year	**2,116**	**4,104**
	Reconciliation of cash and cash equivalents as per the cash flow statement		
	Cash and cash equivalents as per above comprise of the following		
	Cash and cash equivalents [Refer note 5(b)]	2,116	4,104
	Balances per statement of cash flows	**2,116**	**4,104**

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

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

Abhishek Rara
Partner
Membership No. 077779

Place: New Delhi
Date: 24 May 2018

Sunita Ganjoo
Company Secretary

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

Siddharth Shriram	Chairman
D.V. Kapur	Director
Ravi V. Gupta	Director
Manoj Arora	Director
H. Sugimizu	Whole time director
Vinay Mittal	Whole time director & CFO

Notes to the financial statements for the year ended March 31, 2018

1. Company overview

Honda Siel Power Products Limited is a public company domiciled and headquartered in India. Its shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is primarily engaged in manufacturing and marketing the portable gensets, water pumps, general purpose engines, lawn mowers, brush cutters and tillers. The Company caters to both domestic and international markets. The registered office of the Company is 409, DLF Tower B, Jasola Commercial Complex, New Delhi–110025 and Company Identification Number of the Company is L40103DL2004PLC203950.

2. Significant accounting policies

i) Basis of preparation of financial statements

(i) Compliance with Indian Accounting Standards

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

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended), Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 35 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) Historical cost convention

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

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

ii) Current – non-current classification

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

Assets

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the company's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is expected to be realised within 12 months after the reporting date; or
(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

a) it is expected to be settled in the company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within 12 months after the reporting date; or
d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

iii) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged 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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

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.

Notes to the financial statements for the year ended March 31, 2018

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

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

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

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

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

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

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

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

iv) Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortisation and any accumulated impairment loss.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Amortisation methods and periods

Intangible assets are amortised in the Statement of Profit and Loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortised on straight line basis.

Intangible assets comprise technical knowhow - model fee, technical knowhow - others and computer software.

The amortisation rates are as follows:

Block of Asset	Estimated life (Years)
Technical knowhow – Model fees	5 Years
Technical knowhow – Others	6 Years
Computer software	3 Years

Amortisation method and useful lives are reviewed at each reporting date. If the useful life of an asset is estimated to be significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from its use and disposal.

v) Impairment of non-financial assets

Property, plant and equipment and Intangible assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of asset's (cash-generating units). Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss are reviewed for possible reversal at the end of each reporting period. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

vi) Inventories

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

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

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

Goods in transit are valued at purchase cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The proportionate amount of additional duty of customs paid on finished goods imported for trading and lying unsold as at the year-end has been included in the value of the finished goods stock.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and

Notes to the financial statements for the year ended March 31, 2018

other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

vii) Employee benefits

Short term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

Post-employment benefits

The Company operates the following post-employment schemes:

(a) defined contribution plans such as superannuation fund; and

(b) defined benefit plans such as gratuity, provident fund

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts.

(i) Superannuation fund

Under the superannuation scheme, a defined contribution plan, the Company pays fixed contributions into a separate trust and has no obligation to pay further amounts. The trust has taken up a policy with the Life Insurance Corporation of India. Benefits are paid by Life Insurance Corporation of India to the vesting employees on retirement, death, incapacitation or termination of employment. Contributions paid by the Company to the superannuation trust are charged to the Statement of Profit and Loss.

Defined benefit plans

(i) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund established as trust which has taken up a group policy with the Life Insurance Corporation of India. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation report using the projected unit credit method as at the year end. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

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

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

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

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

(ii) Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund set up as an irrevocable trust. Both the employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. The interest rate payable by the trust to the beneficiaries every year is notified by the appropriate authorities. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate.

The annual contributions paid by the Company to the provident fund are charged off to the Statement of Profit and Loss. In addition the Company provides for the interest shortfall, if any and is determined annually based on an independent actuarial valuation report. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited in other comprehensive income in the period in which they arise.

Other long-term employee benefit obligations - Compensated Absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

Notes to the financial statements for the year ended March 31, 2018

viii) Revenue recognition

Sale of goods

Timing of recognition: The Company recognizes revenue when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with the goods and the amount of revenue can be estimated reliably.

The timing of transfers of risks and rewards 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.

Measurement of revenue: Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and services tax (GST) and amounts collected on behalf of third parties.

The Company accounts for volume discounts and pricing incentives 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.

Sale of services

Timing of recognition: Revenue from services is recognised under the proportionate completion method provided the consideration is reliably determinable and no significant uncertainty exists regarding the collection of the consideration. The stage of completion is assessed based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).

Measurement of revenue: The amount recognised as revenue is exclusive of sales tax, value added taxes (VAT) GST, and service tax, and is net of returns, trade discounts and volume rebates.

Sale of goods – service coupons (deferred revenue)

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

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

Other income

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

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

ix) Financial assets

Classification

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

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

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

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

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

Measurement

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

Debt instruments

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

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

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

income. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income and impairment expenses in other expenses.

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

Equity instruments

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

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

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 26 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.

x) Offsetting financial instruments

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

xi) Trade and other payables

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

xii) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

xiii) Foreign currency translation

Functional and presentation currency

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

Transaction and balances

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Exchange differences arising on foreign currency transactions settled during the year are recognised in the Statement of Profit and Loss for the year on a net basis.

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

xiv) Provisions

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

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

Notes to the financial statements for the year ended March 31, 2018

Warranty costs

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

xv) Contingent liabilities and contingent assets

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

xvi) Income Taxes

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

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

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

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

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

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

xvii) Leases

As a lessee

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

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

xviii) Cash and cash equivalents

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

xix) Segment reporting

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

xx) Earnings per share

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

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

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

xxi) Contributed equity

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

Notes to the financial statements for the year ended March 31, 2018

xxii) Dividends

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

xxiii) Royalty

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

xxiv) Rounding of amounts

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

2a. Critical estimates and judgements

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

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

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- *Estimated useful life of property, plant and equipment and intangible asset* –The annual depreciation and amortisation charge is sensitive to the estimated lives allocated to each type of asset. Assets lives are assessed annually and changed where necessary to reflect current circumstances in light of technological change and physical conditions of the assets concerned.
- *Revenue recognition* - In revenue arrangements where more than one good or service is provided to the customer, customer consideration is allocated between the goods and services using fair value principles. The fair values determined for deliverables may impact the timing of the recognition of revenue. The Company generally determines the fair value of individual elements based on a cost plus a reasonable margin. Revision to the estimates of these fair values may significantly affect the allocation of total arrangement consideration among the individual elements.
- Estimation of defined benefit obligation – Note 24
- Estimation of provision for warranty claims – Note 13
- Estimation of provision for inventory obsolescence – Note 9

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

2b. Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on 28 March 2018. The rules shall be effective from reporting periods beginning on or after 1 April 2018 and cannot be early adopted.

(a) Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 *Revenue*, Ind AS 11 *Construction Contracts and* Guidance Note *on* Accounting for Real Estate Transactions.

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The new standard will come into effect for the annual reporting periods beginning on or after 1 April 2018. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company is in the process of evaluating the impact of the new standard on the financial statements.

(b) Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

As per the amendment issued, the Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The Company is in the process of assessing the impact of this pronouncement on the financial statements.

(c) Amendments to Ind AS 40 Investment property - Transfers of investment property

The amendment clarifies that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples and scope of these examples have been expanded to include assets under construction/development and not only transfer of completed properties.

The amendment provides two transition options. Entities can choose to apply the amendment:

- Retrospectively without the use of hindsight; or
- Prospectively to changes in use that occur on or after the date of initial application (i.e. 1 April 2018 for entities with March year-end). At that date, an entity shall reassess the classification of properties held at that date and, if applicable, reclassify properties to reflect the conditions that exist as at that date.

Management has assessed the effect of the amendment and concluded that there will be no impact required in the financial statements.

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

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base.
The Company is in the process of assessing the impact of this pronouncement on the financial statements.

Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 3: Property, plant and equipment

	Freehold land	Lease-hold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computers	Total	Capital work-in-progress
Year ended March 31, 2017										
Deemed cost as at April 1, 2016	**117**	**404**	**3,443**	**6,494**	**87**	**385**	**46**	**46**	**11,022**	**34**
Additions (including transfers from CWIP)	-	-	58	1,090	5	182	29	18	1,382	1,146
Disposals	-	-	-	(81)	(1)	(115)	(7)	(0)	(204)	(1,147)
Closing gross carrying amount	**117**	**404**	**3,501**	**7,503**	**91**	**452**	**68**	**64**	**12,200**	**33**
Accumulated depreciation										
Depreciation charge during the year	-	6	139	1,748	24	156	20	25	2,118	-
Disposals	-	-	-	(70)	(1)	(111)	(7)	(0)	(189)	-
Closing accumulated depreciation	**-**	**6**	**139**	**1,678**	**23**	**45**	**13**	**25**	**1,929**	**-**
Net carrying amount	**117**	**398**	**3,362**	**5,825**	**68**	**407**	**55**	**39**	**10,271**	**33**
Year ended March 31, 2018										
Gross carrying amount										
Opening gross carrying amount	117	404	3,501	7,503	91	452	68	64	12,200	33
Additions (including transfers from CWIP)	-	-	12	1,153	9	152	31	120	1,477	1,180
Disposals	-	-	-	(43)	(5)	(124)	(5)	(25)	(202)	(1,119)
Closing gross carrying amount	**117**	**404**	**3,513**	**8,613**	**95**	**480**	**94**	**159**	**13,475**	**94**
Accumulated depreciation										
Opening accumulated depreciation	-	6	139	1,678	23	45	13	25	1,929	-
Depreciation charge during the year	-	6	140	1,636	25	153	23	46	2,029	-
Disposals	-	-	-	(41)	(4)	(117)	(5)	(25)	(192)	-
Closing accumulated depreciation	**-**	**12**	**279**	**3,273**	**44**	**81**	**31**	**46**	**3,766**	**-**
Net carrying amount	**117**	**392**	**3,234**	**5,340**	**51**	**399**	**63**	**113**	**9,709**	**94**

(i) Contractual obligations

Refer to note 31 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 4: Intangible assets

	Technical knowhow - Model fees	Technical knowhow - Others	Software	Total	Intangible assets under development
Year ended March 31, 2017					
Deemed cost as at April 1, 2016	**253**	**-**	**138**	**391**	**15**
Additions (including transfers from intangible assets under development)	74	-	165	239	74
Disposals	**-**	**-**	**-**	**-**	**(89)**
Closing gross carrying amount	**327**	**-**	**303**	**630**	**-**
Accumulated amortisation					
Amortisation charge for the year	117	-	111	228	-
Closing accumulated amortisation	**117**	**-**	**111**	**228**	**-**
Closing net carrying amount	**210**	**-**	**192**	**402**	**-**
Year ended March 31, 2018					
Gross carrying amount					
Opening gross carrying amount	327	-	303	630	-
Additions (including transfer from intangible assets under development)	-	-	184	184	124
Disposals				-	(124)
Closing gross carrying amount	**327**	**-**	**487**	**814**	**-**
Accumulated amortisation					
Opening accumulated amortisation	117	-	111	228	-
Amortisation charge for the year	103	-	119	222	
Disposals	-	-	-	-	
Closing accumulated amortisation	**220**	**-**	**230**	**450**	**-**
Closing net carrying amount	**107**	**-**	**257**	**364**	**-**

Note 5: Financial assets

5(a) Trade receivables

	March 31, 2018	March 31, 2017	April 1, 2016
Trade receivables	3,473	1,604	1,795
Receivables from related parties (refer note below)	2,887	1,034	1,425
Less: Allowances for doubtful debts	-	-	-
Total receivables	**6,360**	**2,638**	**3,220**

Break-up of security details

	March 31, 2018	March 31, 2017	April 1, 2016
Secured, considered good	-	-	-
Unsecured, considered good#*	6,360	2,638	3,220
Doubtful	-	-	-
Total	**6,360**	**2,638**	**3,220**
Allowance for doubtful debts	-	-	-
Total trade receivables	**6,360**	**2,638**	**3,220**

Includes debts amounting to INR 421 lakhs as at March 31, 2018 (March 31, 2017: 524 lakhs; April 1, 2016: 444 lakhs) considered good in respect of which the Company holds guarantees from the bank.

* Includes amount due from Honda Motor India Private Limited as at March 31, 2018 INR 76 lakhs (March 31, 2017: 72 lakhs; April 1, 2016: 49 lakhs), being companies having common directors.

Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

5(b) Cash and cash equivalents

	March 31, 2018	March 31, 2017	April 1, 2016
Balances with banks			
- In current accounts	1,091	352	843
- In EEFC accounts	972	647	295
Deposits with maturity of less than three months	5	2,372	650
Cheques on hand	40	722	479
Cash on hand	8	11	9
Total cash and cash equivalents	**2,116**	**4,104**	**2,276**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

5(c) Other bank balances

	March 31, 2018	March 31, 2017	April 1, 2016
Bank deposits with maturity more than 3 months but less than 12 months	17,028	10,074	13,235
Unpaid dividend accounts	39	36	34
Total other bank balances	**17,067**	**10,110**	**13,269**

5(d) Loans

	March 31, 2018		March 31, 2017		April 1, 2016	
	Current	Non - current	Current	Non - current	Current	Non - current
Unsecured, considered good						
Security deposits	66	95	65	105	35	111
Unsecured, considered doubtful						
Security deposits	10	-	10	-	10	-
Less: Provision for doubtful security deposits	(10)	-	(10)	-	(10)	-
Total loans	**66**	**95**	**65**	**105**	**35**	**111**

5(e) Other financial assets

	March 31, 2018		March 31, 2017		April 1, 2016	
	Current	Non - current	Current	Non - current	Current	Non - current
Unsecured, considered good, unless otherwise stated						
Long-term deposits with banks with remaining maturity period more than 12 months	-	3,052	-	4,113	-	1
Interest accrued on bank deposits	675	3	298	5	347	-
Total other financial assets	**675**	**3,055**	**298**	**4,118**	**347**	**1**

Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 6: Deferred tax assets (net)

The balance comprises temporary differences attributable to:

	March 31, 2018	March 31, 2017	April 1, 2016
Expenditure covered by section 43B of Income-tax Act,1961	243	205	228
Other items			
Provision for slow moving inventory	68	71	97
Provision for discontinued models	15	15	31
Others	101	177	172
	184	**263**	**300**
Total deferred tax assets	**427**	**468**	**528**
Set-off of deferred tax liabilities pursuant to set-off provisions			
Property, plant and equipment and intangible assets	(205)	(380)	(488)
Other items			
Deferred revenue	(37)	(25)	(21)
Total deferred tax liabilities	**(242)**	**(405)**	**(509)**
Net deferred tax assets	**185**	**63**	**19**

Movements in deferred tax assets and liabilities

	Expenditure covered by section 43B of Income Tax Act,1961	Property, plant and equipment and intangible assets	Other items	Total
At April 1, 2016	228	(488)	279	19
(Charged)/credited:				
- to profit or loss	(56)	108	(41)	11
- to other comprehensive income	33	-	-	33
At March 31, 2017	**205**	**(380)**	**238**	**63**
(Charged)/credited:				
- to profit or loss	22	175	(91)	106
- to other comprehensive income	16	-	-	16
At March 31, 2018	**243**	**(205)**	**147**	**185**

Note 7: Non Current Tax assets (net)

	March 31, 2018	March 31, 2017	April 1, 2016
Advance income tax			
Opening balance	2,827	2,007	2,007
Add: Taxes paid	579	730	-
Add: Tax refunds/adjustment	105	256	-
Less: Current tax payable for the year	(175)	(166)	-
Closing balance*	**3,336**	**2,827**	**2,007**

*Includes paid under protest as at March 31, 2018 INR 2,011 (March 31, 2017 : INR 238 lakhs, 1st April 2016 : INR 483 lakhs).

Note 8: Other non-current assets

	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, considered good, unless otherwise stated			
Capital advances	73	194	283
Service tax credit receivable	-	-	940
VAT receivable	-	783	509
Recoverable from government authorities*	375	348	332
Prepaid expenses	15	35	14
Total other non-current assets	**463**	**1,360**	**2,078**

* Includes deposit under protest as at March 31, 2018 INR 213 lakhs (March 31, 2017 : INR 183 lakhs, April 1st, 2016 : INR 125 lakhs)

Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 9: Inventories

	March 31, 2018	March 31, 2017	April 1, 2016
Raw materials [includes in transit: INR 2,515 Lakhs [March 31, 2017: INR 2,913 lakhs, April 1, 2016: INR 2,076 lakhs]	5,078	5,096	4,357
Work-in-progress	472	400	336
Finished goods [includes in transit: INR 656 lakhs (March 31, 2017: INR 540 lakhs, April 1, 2016: INR 624 lakhs]	2,535	5,110	3,858
Stock-in-trade [includes in transit: INR 301.36 lakhs (March 31, 2017: INR 697 lakhs, April 1, 2016: INR 400 lakhs]	1,087	1,594	1,256
Stores and spares	141	132	128
Less : Provision for slow moving inventory	(195)	(204)	(279)
Less: Provision for inventory related to discontinued models	(42)	(44)	(91)
Total inventories	**9,076**	**12,084**	**9,565**

Note 10: Other current assets

	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured, considered good, unless otherwise stated			
Recoverable from related parties	11	22	36
Advances for supply of goods	72	73	86
Prepaid expenses	131	87	102
Recoverable from government authorities	60	1,222	400
Service tax credit receivable	-	1,184	560
CENVAT credit receivable	119	1,561	1,263
Value Added Tax receivable	-	211	197
GST receivable	6,207	-	-
Special additional duty recoverable	60	147	207
Export benefits recoverable	318	354	305
Others**	15	27	20
Total	**6,993**	**4,888**	**3,176**
Unsecured, considered doubtful			
Special additional duty recoverable	184	180	185
Export benefits recoverable	27	27	27
Others	30	37	31
Total	**241**	**244**	**243**
Less: Allowance for doubtful advances	(241)	(244)	(243)
Total other current assets	**6,993**	**4,888**	**3,176**

** Includes advances due by directors or other officers as at March 31, 2018 INR Nil (March 31, 2017: INR Nil, April 1, 2016: INR 4 lakhs)

Notes to the financial statements for the year ended March 31, 2018

(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
As at April 1, 2016	15,000,000	1,500
As at March 31, 2017	15,000,000	1,500
As at March 31, 2018	15,000,000	1,500

Issued, subscribed and paid up share capital

	Number of shares	Amount
As at April 1, 2016	10,143,071	1,014
As at March 31, 2017	10,143,071	1,014
As at March 31, 2018	10,143,071	1,014

(i) Movements in equity share capital

	Number of shares	Amount
As at April 1, 2016	10,143,071	1,014
As at March 31, 2017	10,143,071	1,014
As at March 31, 2018	10,143,071	1,014

Terms and rights attached to equity shares

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

On winding up of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(ii) Shares of the company held by holding co.

	March 31, 2018	March 31, 2017	April 1, 2016
Honda Motor Co. Ltd., Japan,	6,762,000	6,762,000	6,762,000

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

	March 31, 2018		March 31, 2017		April 1, 2016	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Honda Motor Co. Ltd., Japan,	6,762,000	66.67%	6,762,000	66.67%	6,762,000	66.67%

Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

11(b) Other equity

Reserve & Surplus

	March 31, 2018	March 31, 2017	April 1, 2016
Securities premium reserve	396	396	396
General reserve	12,087	12,087	12,087
Retained earnings	33,948	28,754	23,772
Total other equity	**46,431**	**41,237**	**36,255**

(i) Securities premium reserve

	March 31, 2018	March 31, 2017
Balance at the beginning of year	396	396
Balance at the end of the year	**396**	**396**

(ii) General reserve

	March 31, 2018	March 31, 2017
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, 2018	March 31, 2017
Balance at the beginning of year	28,754	23,772
Net profit for the year	6,141	5,778
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(31)	(63)
Dividend on equity shares	(761)	(609)
Dividend distribution tax	(155)	(124)
Balance at the end of the year	**33,948**	**28,754**

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 7.50 per share , total dividend Rs. 761 lakhs (Previous Year Rs 6 per share, total dividend 609 lakhs) was paid to equity shareholders. The board of directors recomended the final dividend of Rs 9 per share (Nominal value of Rs. 10/share) for the financial year 2017-18. The dividend is subject to approval of shareholders in the AGM scheduled on August 13, 2018.

Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 12: Financial liabilities

12(a) Trade payables

	March 31, 2018	March 31, 2017	April 1, 2016
Total outstanding dues of micro enterprises and small enterprises (refer note 34)	103	123	176
Total outstanding dues of creditors other than micro enterprises and small enterprises *	8,405	7,028	5,964
Total trade payables	**8,508**	**7,151**	**6,140**

*Includes amount payable to related parties amounting to INR 3,308 lakhs as at March 31, 2018 (March 31, 2017: INR 2,395 lakhs , April 1st, 2016 : INR 2,438 lakhs)

12(b) Other financial liabilities

	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Security deposits from dealers	199	202	197
Interest accrued and due on security deposits	11	11	12
Unpaid dividends	40	36	34
Employee benefits payable	886	775	698
Capital creditors	107	83	138
Total other current financial liabilities	**1,243**	**1,107**	**1,079**

Note 13: Provisions

	March 31, 2018		March 31, 2017		April 1, 2016	
	Current	Non - current	Current	Non - current	Current	Non - current
Provision for employee benefits						
Compensated absences	703	-	593	-	533	-
Gratuity (refer note 24)	202	-	160	-	125	-
Other provisions						
Warranties (refer note (i) below)	67	149	76	20	63	-
Total	**972**	**149**	**829**	**20**	**721**	**-**

(i) Information about individual provisions and significant estimates

Warranties: Provision is made for warranty claims in respect of products sold which are still under warranty at the end of reporting period. The company offers warranty for a period of one year to domestic customers and for a period ranging from one year to two years to export customers. The warranty provision is expected to be utilised within the normal warranty period. The provision has been created based on management's estimates and past trends of actual claim received.

(ii) Movements in other provisions

Movements in each class of other provisions during the financial year, are set out below:

	Warranties	Total
As at April 1, 2016	**63**	**63**
Provision made during the year (net of unused amount reversed of INR 6 lakhs)*	195	195
Provision utilised during the year	(162)	(162)
As at March 31, 2017	**96**	**96**
Provision made during the year (net of unused amount reversed of INR Nil lakhs)*	282	282
Provision utilised during the year	(162)	(162)
As at March 31, 2018	**216**	**216**

*Net of expected reimbursement of INR 0.09 lakhs (March 31, 2017: INR 0.08 lakhs) from supplies of traded goods recognised in accordance with the requirements of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"

Note 14: Other current liabilities

	March 31, 2018	March 31, 2017	April 1, 2016
Advance from customers	652	1,117	1,548
Statutory tax payables	577	793	718
Deferred service revenue	108	98	91
Total other current liabilities	**1,337**	**2,008**	**2,357**

Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 15: Revenue from operations

	March 31, 2018	March 31, 2017
Sale of products		
Finished goods	68,690	64,316
Stock in trade	7,194	7,474
	75,884	**71,790**
Other operating revenue		
Spares and components	506	632
Service income	373	331
Scrap sales	122	124
Support service and infrastructure fees	140	144
Others	716	601
	1,857	**1,832**
Total revenue from operations*	**77,741**	**73,622**

*Goods & Services Tax (GST) has been made effective from 1st July, 2017. Consequently, Excise duty, Value added tax(VAT), Service Tax etc. have been replaced with GST. Until, 30th June 2017, "Sale of Products" included the amount of excise duty recovered on sales. Accordingly, revenue from "Sale of Products" and "Revenue from operation" for the year ended 31st March 2018 are not comparable with those of the previous year.

Note 16: Other income

	March 31, 2018	March 31, 2017
Interest income from financial assets at amortised cost - Deposits with Banks	1,268	1,103
Interest income on income tax refund	105	216
Net gain on sale of property, plant and equipment's	33	23
Provisions / liabilities written back to the extent no longer required	121	254
Miscellaneous income	20	21
Total other income	**1,547**	**1,617**

Note 17: Cost of materials consumed

	March 31, 2018	March 31, 2017
Raw material at the beginning of the year	5,096	4,357
Add : Purchases	37,902	37,741
Less : Raw material at the end of the year	5,078	5,096
Total cost of materials consumed	**37,920**	**37,002**

Note 18: Changes in inventories of finished goods, work-in-progress and stock-in-trade

	March 31, 2018	March 31, 2017
Inventories at the end of the year:		
Finished goods	2,535	5,110
Stock-in-trade	1,087	1,594
Work-in-progress	472	400
	4,094	7,104
Inventories at the beginning of the year:		
Finished goods	5,110	3,858
Stock-in-trade	1,594	1,256
Work-in-progress	400	336
	7,104	5,450
(Increase) /decrease in excise duty	(456)	61
Total changes in inventories of finished goods, stock-in-trade and work-in-progress	**2,554**	**(1,593)**

Note 19: Employee benefits expense

	March 31, 2018	March 31, 2017
Salaries, wages and bonus	7,337	6,142
Contribution to provident fund and other funds (refer note 24)	369	328
Gratuity (refer note 24)	113	105
Compensated absences (refer note 24)	225	145
Staff welfare expenses	559	524
Total employee benefits expense	**8,603**	**7,244**

Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 20: Finance costs

	March 31, 2018	March 31, 2017
Interest on dealers security deposits	12	12
Interest on others	12	28
Total finance costs	**24**	**40**

Note 21: Depreciation and amortisation expenses

	March 31, 2018	March 31, 2017
Depreciation of property, plant and equipment (refer note 3)	2,029	2,117
Amortisation of intangible assets (refer note 4)	222	228
Total depreciation and amortisation expense	**2,251**	**2,345**

Note 22: Other expenses

	March 31, 2018	March 31, 2017
Consumption of stores and spare parts	291	236
Power and fuel	594	524
Rent (refer note 31(b))	295	312
Repairs		
- Building	47	37
- Machinery	112	141
- Others	98	98
Insurance	97	90
Rates and taxes	37	208
Royalty	2,870	2,529
Technical guidance fees	280	511
Freight, clearing and forwarding	1,993	1,844
Commission on sales	2,574	2,258
Advertisement and sales promotion	518	551
Service expenses	173	157
Travelling expenses	534	519
Legal and professional fees (refer note 22(a) below)	514	431
Vehicle running expenses	162	185
Foreign exchange fluctuation (net)	139	84
Provision for doubtful advances	3	7
Warranty	282	196
Security expenses	81	89
Bank charges	43	47
Contribution towards corporate social responsibility (Refer note 22(b) below)	162	122
Miscellaneous expenses	534	576
Total other expenses	**12,433**	**11,752**

Note 22(a): Details of payments to auditors

	March 31, 2018	March 31, 2017
Payments to auditors#		
As auditor:		
Audit fee	31	30
Tax audit fee	3	3
Limited reviews fee	9	9
Re-imbursement of expenses	3	3
In Other Capacity:		
Certification Fees	1	-
Total payments to auditors	**47**	**45**

excluding service tax/GST

Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 22(b): Corporate social responsibility expenditure

As per Section 135 of the Companies Act 2013, a Corporate Social Responsibility (CSR) committee has been formed by the company. The company has contributed INR 86 lakhs (March 2017: 122 lakhs) towards Prime Minister National Relief Fund & Rs. 76 lakhs (March 2017: Nil) towards Confederation of Indian Industry, as specified in Schedule VII of the Companies Act, 2013.

	March 31, 2018	March 31, 2017
Amount required to be spent as per Section 135 of the Act	162	122
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	162	122

Note 23: Income tax expense

	March 31, 2018	March 31, 2017
(a) Income tax expense		
Current tax		
Current tax on profits for the year	3,399	3,150
Adjustments for current tax of prior periods	-	(106)
Total current tax expense	**3,399**	**3,044**
Deferred tax		
Decrease/(increase) in deferred tax assets	69	97
(Decrease)/increase in deferred tax liabilities	(175)	(108)
Total deferred tax expense/(benefit)	**(106)**	**(11)**
Income tax expense	**3,293**	**3,033**

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

	March 31, 2018	March 31, 2017
Profit before income tax expense	9,434	8,811
Tax at the India tax rate of 34.608% (2016-2017: 34.608%)	**3,265**	**3,049**
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Amortisation of leasehold land	2	1
Corporate social responsibility expenditure	26	2
Interest Income Tax	4	4
Other items	(4)	(23)
Income tax expense	**3,293**	**3,033**

Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 24 : Employee benefits

(i) Leave obligations

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

The amount of the provision of INR 703 lakhs (March 31, 2017: INR 593 lakhs, April 1, 2016: INR 533 lakhs) is presented as current since the company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

	March 31, 2018	March 31, 2017	April 1, 2016
leave obligations not expected to be settled within the next 12 months	642	554	492

(ii) Defined contribution plans

Superannuation Fund

The expense recognised during the period towards defined contribution plan is INR 74 lakhs (March 31, 2017: 65 lakhs).

(iii) Post-employment obligations

(a) Gratuity

(b) Provident fund

The expenses recognised during the period towards provident fund is INR 274 lakhs (March 31, 2017: INR 250 lakhs) which also includes contribution to family pension fund INR 111 lakhs (March 31, 2017: 107 lakhs).

Balance sheet amounts - Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

	Present value of obligation	Fair value of plan assets	Net Amount
April 1, 2016	1,091	(966)	125
Current service cost	94	-	94
Interest expense/(income)	87	(77)	10
Total amount recognised in profit or loss	**181**	**(77)**	**104**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(9)	(9)
(Gain)/loss from change in financial assumptions	49	-	49
Experience (gains)/losses (experience adjustment)	56	-	56
Total amount recognised in other comprehensive income	**105**	**(9)**	**96**
Employer contributions	-	(165)	(165)
Benefit payments	(61)	61	-
March 31, 2017	**1,316**	**(1,156)**	**160**
April 1, 2017	**1,316**	**(1,156)**	**160**
Current service cost	101	-	101
Interest expense/(income)	99	(88)	11
Total amount recognised in profit or loss	**200**	**(88)**	**112**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(2)	(2)
(Gain)/loss from change in financial assumptions	(20)	-	(20)
Experience (gains)/losses	69	-	69
Total amount recognised in other comprehensive income	**49**	**(2)**	**47**
Employer contributions	-	(117)	(117)
Benefit payments	(127)	127	-
March 31, 2018	**1,438**	**(1,236)**	**202**

Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Balance sheet amounts - Provident fund

	Present value of obligation	Fair value of plan assets	Net Amount
April 1, 2016	3,599	(3,875)	(276)
Current service cost	139	-	139
Interest expense/(income)	288	(288)	-
Total amount recognised in profit or loss	**427**	**(288)**	**139**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(64)	(64)
(Gain)/loss from change in financial assumptions	1	-	1
Experience (gains)/losses (experience adjustment)	48	-	48
Total amount recognised in other comprehensive income	**49**	**(64)**	**(15)**
Employer contributions	-	(139)	(139)
Contributions by plan participants/employees	386	(386)	-
Benefits paid	(275)	275	-
Settlements/transfer in	1	(1)	-
March 31, 2017 *	**4,187**	**(4,478)**	**(291)**
April 1, 2017	**4,187**	**(4,478)**	**(291)**
Current service cost	157	-	157
Interest expense/(income)	316	(316)	-
Total amount recognised in profit or loss	**473**	**(316)**	**157**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(89)	(89)
(Gain)/loss from change in financial assumptions	(0)	-	(0)
Experience (gains)/losses	70	-	70
Total amount recognised in other comprehensive income	**70**	**(89)**	**(19)**
Employer contributions	-	(157)	(157)
Contributions by plan participants/employees	438	(438)	-
Benefit payments	(387)	387	-
Settlements/transfer in	10	(10)	-
March 31, 2018	**4,791**	**(5,101)**	**(310)**

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

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

	Gratuity			Provident fund		
	March 31, 2018	**March 31, 2017**	**April 1, 2016**	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Present value of funded obligations	1,438	1,316	1,091	4,791	4,187	3,599
Fair value of plan assets	(1,236)	(1,156)	(966)	(5,101)	(4,478)	(3,875)
Deficit/(surplus) of funded plan	**202**	**160**	**125**	**(310)**	**(291)**	**(276)**
Unfunded plans	-	-	-	-	-	-
Deficit/(surplus) of gratuity plan and provident fund	**202**	**160**	**125**	**(310)**	**(291)**	**(276)**

(iv) Post employment benefits

Significant estimates: actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

	Gratuity			Provident fund		
	March 31, 2018	**March 31, 2017**	**April 1, 2016**	**March 31, 2018**	**March 31, 2017**	**April 1, 2016**
Discount rate	7.71%	7.54%	8.00%	7.71%	7.54%	8.00%
Salary growth rate	8.00%	8.00%	8.00%	-	-	-
Expected statutory interest rate on the ledger balance	-	-	-	8.55%	8.65%	8.75%
Expected short fall in interest earnings on the fund	-	-	-	0.05%	0.05%	0.05%
Retirement age	58 years	58 years	58 years	58 years	58 years	58 years
Mortality rate	100% of IALM (2006-08)	100% of IALM (2006-08)	100% of IALM (2006-08)	100% of IALM (2006-08)	100% of IALM (2006-08)	100% of IALM (2006-08)
Withdrawal rate						
Ages:						
Upto 30 years	3%	3%	3%	3%	3%	3%
From 31 to 44 years	2%	2%	2%	2%	2%	2%
Above 44 years	1%	1%	1%	1%	1%	1%

Notes to the financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

(v) Sensitivity analysis

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

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

	March 31, 2018	March 31, 2017
a) Defined benefit obligation	1,438	1,316
b) Impact on defined benefit obligation at 0.5% increase in discount rate	(56)	(57)
c) Impact on defined benefit obligation at 0.5% decrease in discount rate	61	53

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

	March 31, 2018	March 31, 2017
a) Defined benefit obligation	1438	1316
b) Impact on defined benefit obligation at 0.5% increase in salary growth rate	60	52
c) Impact on defined benefit obligation at 0.5% decrease in salary growth rate	(56)	(57)

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

	March 31, 2018	March 31, 2017
a) Defined benefit obligation	4791	4,187
b) Impact on defined benefit obligation at 0.5% increase in discount rate	(1)	(1)
c) Impact on defined benefit obligation at 0.5% decrease in discount rate	1	1

(iv) Changes in defined benefit obligation of Gratuity plan due to changes in mortality rate, is negligible.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumption the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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

Gratuity

	March 31, 2018		March 31, 2017		April 1, 2016	
	Unquoted	in %	Unquoted	in %	Unquoted	in %
Investment funds						
Funds managed by insurer	1,236	100%	1,156	100%	966	100%
Total	**1,236**	**100%**	**1,156**	**100%**	**966**	**100%**

Provident Fund

	March 31, 2018		March 31, 2017		April 1, 2016	
	Unquoted	in %	Unquoted	in %	Unquoted	in %
Investment funds						
Government securities	2,551	50%	2,239	50%	1,937	50%
Public sector unit bonds	2,295	45%	2,015	45%	1,744	45%
Mutual bonds	255	5%	224	5%	194	5%
Total	**5,101**	**100%**	**4,478**	**100%**	**3,875**	**100%**

(vii) Risk exposure

Through its defined benefit plan, the Company is exposed to a number of risks, the most significant of which are defined below:

Investment risk	If plan is funded then assets and liabilities mismatch and actual investment return on assets is lower than the discount rate assumed at the last valuation date can impact the liability.
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

(viii) Defined benefit liability and employer contributions

Expected contribution to post-employment benefit plan for the year ended March 31, 2019 is INR 128 lakhs.

The weighted average duration of the defined benefit obligation of Gratuity plan as at March 31, 2018 is 17.09 years (March 31, 2017: 17.41 years, April 1, 2016: 17.42 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, 2018					
Defined benefit obligation	128	24	72	1,215	1,439
Total	**128**	**24**	**72**	**1,215**	**1,439**
March 31, 2017					
Defined benefit obligation	95	170	322	729	1,316
Total	**95**	**170**	**322**	**729**	**1,316**
April 1, 2016					
Defined benefit obligation	65	76	268	681	1,090
Total	**65**	**76**	**268**	**681**	**1,090**

Notes forming part of financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 25: Fair value measurements

Financial instruments by category

	Notes	March 31, 2018	March 31, 2017	April 1, 2016
		Amortised cost	Amortised cost	Amortised cost
Financial assets				
Trade receivables	5(a)	6,360	2,638	3,220
Security deposits	5(d)	161	170	146
Cash and cash equivalents	5(b)	2,116	4,104	2,276
Other bank balances	5(c)	17,067	10,110	13,269
Long-term deposits with banks with remaining maturity period more than 12 months	5(e)	3,052	4,113	1
Interest accrued on bank deposits	5(e)	678	303	347
Total financial assets		**29,434**	**21,438**	**19,259**
Financial liabilities				
Trade payables	12(a)	8,508	7,151	6,140
Security deposits	12(b)	199	202	197
Interest accrued and due on security deposits	12(b)	11	11	12
Unpaid dividends	12(b)	40	36	34
Employee benefits payable	12(b)	886	775	698
Capital creditors	12(b)	107	83	138
Total financial liabilities		**9,751**	**8,258**	**7,219**

(i) Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices (for example, listed equity instruments, traded bonds and mutual funds that have quoted price). There are no financial instruments measured using Level 1 valuation technique.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

(a) The management assessed that the cash and cash equivalents, trade receivables, trade payables, other bank balances, security deposits, fixed deposits with banks and its interest accrued and other financial assets and liabilities approximate the carrying value due to their short term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

(b) the fair value of the remaining financial instruments is determined using discounted cash flow analysis, unless the carrying value is considered to approximate to fair value.

(iii) Valuation processes

The finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. This team reports directly to the Chief Financial Officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every three months, in line with the Company's quarterly reporting periods.

(iv) Fair value of financial assets and liabilities measured at amortised cost

The following summarises the financial instruments at fair value and classification of financial instruments into the three levels prescribed under the Accounting Standards:

There are no financial assets and financial liabilities in a category measured at fair value-recurring fair value measurements.

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, trade payables, employee benefits payables, interest accrued, unpaid dividends, capital creditors, deferred service revenue and security deposits received are considered to be the same as their fair values, due to their short-term nature.

The fair values for security deposits given and long - term deposits with banks with remaining maturity period more than 12 months were calculated based on cash flows discounted using a current lending rate. Security deposits is classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs, including counter party credit risk and long term deposits with banks with remaining maturity period more than 12 months is classified as level 2 for values in the fair value hierarchy due to the inclusion of observable inputs including current market lending rate. The carrying amount is considered to approximate the same to fair value as at the reporting date.

Notes forming part of financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 26: Financial risk management

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize the potential adverse effects on the Company's financial performance. This note explains the sources of risk which the entity is exposed to and how the entity manages such risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Diversification of bank deposits, credit limits, letter of credit and periodic monitoring of realisable value
Liquidity risk	Other liabilities	Rolling cash flow forecasts	Availability of sufficient internally generated operating cash flows
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Cash flow forecasting

The Company's senior management oversees the management of these risks. The Company's risk management policies are established to identify and analyse the risks faced by the Company to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

(A) Credit risk

Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks, as well as credit exposures to customers, including outstanding receivables.

(i) Credit risk management

Trade receivables and other financial assets

A default is when the counterparty fails to make contractual payments within 30 days of when they fall due in case of trade receivables and for other financial assets as prescribed by relevant terms of the contract. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors. Assets are written-off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. Where financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

The Company extends credit to the customers considering factors such as credit track record in the market and past dealing with the Company for extension of credit to customers. The Company monitors the payment track record of the customers. The Company's third party export customers are secured through letter of credit and majority of the Company's export trade receivables are outstanding but not due with its related entities, which mitigates the risk to an extent.

Cash and cash equivalents and deposits with banks

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits accounts in different banks across the Country.

(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 forwarding-looking information. Considering the above factors the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date. During the period, the Company has made no write-off's of the trade receivables.

Significant estimates and judgments

Impairment of financial assets

The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash. The Company's approach to managing liquidity is to ensure, that it will have sufficient liquidity to meet its liabilities when they are due.

The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash outflows on financial liabilities.

Notes forming part of financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities:

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Less than one year	Total
March 31, 2018		
Trade payables	8,508	8,508
Security deposits	199	199
Employee benefits payables	886	886
Other financial liabilities	158	158
March 31, 2017		
Trade payables	7,151	7,151
Security deposits	202	202
Employee benefits payables	775	775
Other financial liabilities	130	130
April 1, 2016		
Trade payables	6,140	6,140
Security deposits	197	197
Employee benefits payables	698	698
Other financial liabilities	184	184

(C) Market risk

(i) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, JPY and THB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

(a) Foreign currency risk exposure

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

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

* includes INR 0.37 lakhs (for FC JPY)
**includes INR 0.05 lakhs (for FC THB)
***includes INR 0.10 lakhs (for FC GBP)

	March 31, 2017					
	USD	JPY	THB	EURO	AUD	CAD
Financial assets						
Trade receivables*	1,202	-	-	-	-	-
Cash balance**	1	-	-	-	-	-
Bank balance in EEFC accounts	647	-	-	-	-	-
Exposure to foreign currency risk (assets)	**1,850**	**-**	**-**	**-**	**-**	**-**
Financial liabilities						
Trade payables	1,578	166	192	3	1	4
Exposure to foreign currency risk (liabilities)	**1,578**	**166**	**192**	**3**	**1**	**4**

* includes INR 0.07 lakhs (for FC JPY)
**includes INR 0.41 lakhs (for FC EURO)

Notes forming part of financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

	April 1, 2016					
	USD	JPY	THB	EURO	AUD	CAD
Financial assets						
Trade receivables*	2,007	-	-	-	-	-
Cash balance**	2	-	-	-	-	-
Bank balance in EEFC accounts	295	-	-	-	-	-
Exposure to foreign currency risk (assets)	**2,304**	**-**	**-**	**-**	**-**	**-**
Financial liabilities						
Trade payables	1,543	162	137	-	-	-
Exposure to foreign currency risk (liabilities)	**1,543**	**162**	**137**	**-**	**-**	**-**

* includes INR 0.19 lakhs (for FC JPY)

**includes INR 0.44 lakhs (for FC EURO)

(b) Sensitivity

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

	Impact on profit after tax	
	March 31, 2018	March 31, 2017
USD sensitivity		
INR/USD - Increase by 5% (March 31, 2017: 5%)*	104.7	13.6
INR/USD - Decrease by 5% (March 31, 2017: 5%)*	(104.7)	(13.6)
PY sensitivity		
INR/JPY - Increase by 5% (March 31, 2017: 5%)*	(18.3)	(8.3)
INR/JPY- Decrease by 5% (March 31, 2017: 5%)*	18.3	8.3
THB sensitivity		
INR/THB - Increase by 5% (March 31, 2017: 5%)*	(14.1)	(9.6)
INR/THB - Decrease by 5% (March 31, 2017: 5%)*	14.1	9.6

*** holding all other variables constant.**

Note 27: 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, and

The Company does not have any debt in its financial statements. The Company is dependent on the capital contribution and cash flows generated from operations for the funding. The Company is not subject to any externally imposed capital requirements.

There is no change in the Company's capital structure since the previous year.

(b) Dividends

	March 31, 2018	March 31, 2017
(i) Equity shares		
Final dividend for the year ended March 31, 2017 of INR 7.50 (April 1, 2016: INR 6) per fully paid share.	761	609
(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 9 (March 31, 2017: INR 7.50) per fully paid up equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	913	761

Note 28: Segment information

The Company is primarily engaged in the business of "Power Products". The Chief Executive Officer is the Company's Chief Operating Decision Maker (CODM) within the meaning of Ind AS 108 'Operating Segments'. CODM examines the Company's performance, reviews internal management reports, allocates resources based on analysis of various performance indicator of the Company as a single unit. Therefore, there is no reportable segment for the Company as per the requirements of Ind AS 108 "Operating Segment".

Geographical information

The Company is domiciled in India. The amount of its revenue from external customers attributable to the entity's country of domicile and attributable to all foreign countries in total from which the entity derives revenue is shown in the table below:

Particulars	March 31, 2018	March 31, 2017
India	45,294	44,595
Foreign countries	32,447	29,027
Total	**77,741**	**73,622**

Revenue from transactions with external customers amounting to 10% or more of an entity's revenue is INR 21,048 lakhs (March 31, 2017: INR 19,742 lakhs).

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

Particulars	March 31, 2018	March 31, 2017
India	13,966	14,893
Foreign countries	-	-
Total	**13,966**	**14,893**

Notes forming part of financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 29: Related party transactions

(a) Parent entity

The Company is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest		
			March 31, 2018	March 31, 2017	April 1, 2016
Honda Motor Co. Ltd., Japan	Holding and ultimate holding company	Japan	66.67%	66.67%	66.67%

(b) Other related parties

Type	Name	Place of incorporation
Fellow subsidiaries	Honda Philippines Inc.	Philippines
	Honda Del Peru S.A.	Peru
	Honda de Mexico S.A. de C.V.	Mexico
	Honda Australia M. & P.E. Pty. Limited	Australia
	Asian Honda Motor Co. Limited	Thailand
	Honda Trading Corporation	Japan
	Honda Manufacturing (Nigeria) Ltd.	Nigeria
	Honda Trading Asia Co. Limited	Thailand
	PT. Honda Power Products Indonesia	Indonesia
	Honda Motorcycle and Scooter India Private Limited	India
	Honda Motor India Private Limited	India
	Moto Honda da Amazonia Ltd.	Brazil
	Honda Trading (South China) Co. Limited	Hong Kong
	Honda R & D Co. Limited	Japan
	Honda R & D (India) Private Limited	India
	Honda Motor de Argentina S.A.	Argentina
	Shanghai Honda Trading Co. Limited	China
	Honda Atlas Power Products Pvt. Ltd.	Pakistan
	PT. Honda Trading Indonesia	Indonesia
	Honda Trading Brasil Ltd.	Brasil
	Honda Canada Inc.	Canada
	American Honda Motor Co. Inc.	USA
	Honda Trading De Argentina S.A.	Argentina
	Honda Trading Corporation India Private Limited	India
	Honda Mindong Generator Co. Ltd.	China
	Honda Kaihatsu Co. Ltd.	Japan
	Honda Trading Europe Ltd.	Belgium
	Honda Motor Europe Limited	UK
	Jialing-Honda Motors Co. Ltd.	China
	Honda Cars India Limited	India
	Honda Selva Del Peru S.A.	Peru
	Honda Trading Philippines Ecozone Corporation	Philippines
	Honda Trading America Corp.	America
	Honda Motor Southern Africa (Pty.) Limited	South Africa
	Honda Motor De Chile S.A.	Chile
	Taiwan Honda Trading Co. Ltd.	Taiwan
	Honda Kaihatsu India Hospitality Pvt. Ltd.	India
	Honda Vietnam Power Products Co. Ltd.	Vietnam
	Rajasthan Prime Steel Processing Center Private Limited	India
Key management personnel	Mr. Yoshifumi Iida- President and CEO	
	Mr. Hiroyoshi Sugimizu- Senior Vice President and Whole time director	
	Mr. Vinay Mittal- Senior Vice President, Whole time director and CFO	
	Mr. Siddharth Shriram, Chairman	
	Mr. D.V. Kapur, Director	
	Mr. Ravi V. Gupta, Director	
	Mr. Manoj Arora, Director	
	Ms. Alaka M. Barucha, Director	

Notes forming part of financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

(c) Key management personnel (KMP) compensation*

	March 31, 2018	March 31, 2017
Short-term employee benefits		
Mr Yoshifumi Iida	201	128
Mr Hiroyoshi Sugimizu	167	104
Mr Vinay Mittal	110	95
Sitting fees		
Mr. Siddharth Shriram	5	5
Mr. D.V. Kapur	6	4
Mr. Ravi V. Gupta	4	4
Mr. Manoj Arora	5	5
Ms. Alaka M. Barucha	3	4
Short- term employee benefits payables		
Payable to employees	10	5

*Excludes contribution to the gratuity fund and provision for leave encashment determined on an actuarial basis, as these are determined for the Company as a whole.

(d) Transactions with related parties

	March 31, 2018	March 31, 2017
Holding Company		
Purchase of goods		
Stock-in-trade	1,263	1,253
Components, raw material, consumable and spares	3,750	4,193
Purchase of capital goods	-	49
Payment of model fees (capitalised as intangible assets)	-	70
Other Expenses		
Technical guidance fee	280	511
Royalty	2,841	2,525
Export commission on sales**	2,498	2,220
Sale of products		
Finished goods	625	773
Spares and components	-	-
Dividend paid	507	406
Reimbursement of expenses		
Paid	673	23
Received	59	129
Fellow subsidiaries with whom transaction exceeds 10% of the total class of transaction		
Purchase of stock-in-trade		
Asian Honda Motor Co. Limited, Thailand	3,470	4,014
Others	-	12
Purchase of components, raw material, consumables and spares		
Asian Honda Motor Co. Limited, Thailand	2,213	2,475
Honda Trading Asia Co. Ltd., Thailand	339	306
Honda Trading Corporation, Japan	581	447
Rajasthan Prime Steel Processing Center Private Limited, India	377	376
Others	531	490
Purchase of capital goods		
Honda Trading Corporation, Japan	10	-
Taiwan Honda Trading Co. Ltd., Taiwan	-	5
Sale of finished goods		
American Honda Motor Co. Inc, USA	21,048	19,742
Others	7,384	5,814
Sale of spares and components		
Honda Motor India Private Ltd, India	371	428
Others	10	7
Fee for infrastructure support services		
Honda R&D (India) Pvt. Ltd., India	16	16
Support service fees		
Honda Motor India Private Ltd, India	140	144

Notes forming part of financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

	March 31, 2018	March 31, 2017
Reimbursement of expenses paid		
American Honda Motor Co. Inc, USA	138	137
Honda Canada Inc., Canada	35	35
Honda Motor India Private Ltd, India	16	27
Others**	73	25
Reimbursement of expenses received		
Honda Cars India Ltd., India	12	13
Honda R&D (India) Pvt. Ltd., India	11	11
Honda Motorcycle and Scooter India Pvt. Ltd., India	-	4
Others**	1	4

* amount below the rounding off norms
** The Company is proposing to get the excess amounts ratified from the shareholders in its ensuing annual general meeting.
Excess amount in case of Export Commission - INR 48 lakhs
Excess amount in case of Reimbursement of expenses paid / received - INR 19 lakhs

(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, 2018	March 31, 2017	April 1, 2016
Holding Company			
Trade Payable	2,727	1,988	1,985
Trade Receivable	124	-	136
Other Recoverable	7	20	29
Fellow subsidiaries			
Trade Payable			
Asian Honda Motor Co. Ltd., Thailand	383	264	349
Others	198	143	105
Trade Receivable			
American Honda Motor Co. Inc, USA	1,379	589	932
Honda Australia M. and P.E. PTY Ltd., Australia	385	143	65
Honda Canada Inc., Canada	558	-	159
Honda Motor Europe Ltd, United Kingdom	175	148	-
Others	265	156	131
Other Recoverable			
American Honda Motor Co. Inc, USA	1	1	-
Honda R&D Co. Ltd., Japan	-	-	5
Honda R&D (India) Pvt. Ltd., India	1	1	2
Advance from customers			
Honda Motor India Private Ltd, India	-	15	-
Capital creditors (purchase of assets)			
Honda Philippines Inc., Philippins	-	-	19

There is no impairment allowance recognised in respect of receivables due from related parties.

(f) Terms and conditions

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

All other transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and settled in cash.

Notes forming part of financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 30: Contingent liabilities

The Company had contingent liabilities at the year end in respect of:

	March 31, 2018	March 31, 2017	April 1, 2016
Claims against the Company not acknowledged as debts			
Income tax matters	5,893	4,015	4,191
Excise and customs matters	2,705	3,597	3,758
Service tax matters	6	171	668
Sales tax matters	840	119	266
Dispute on transfer of lease right of factory land at Rudrapur	722	722	722
Other matters	17	15	19

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.

Note 31: 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, 2018	March 31, 2017	April 1, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)			
Property, plant and equipment	82	345	586

(b) Operating leases

a) General description of the Company's operating lease arrangements:

The Company enters into operating lease arrangements for offices, residential premises for its employees and equipment for generating power for captive consumption. Some of the significant terms and conditions of the arrangements are:

- certain agreements for premises may generally be terminated by the lessee or either party by serving one to three month's notice or by paying the notice period rent in lieu thereof.
- certain agreements for premises where the lock in period ranges from 6 to 36 months.
- the lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.

b) Rental expense relating to operating lease

	March 31, 2018	March 31, 2017	April 1, 2016
Minimum lease payments	295	312	311
	295	**312**	**311**

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

	March 31, 2018	March 31, 2017	April 1, 2016
Within one year	10	3	25
Later than one year but not later than five years	23	-	-
Later than five years	-	-	-
	33	**3**	**25**

(d) The Company has sub-leased one of its leasehold premises. The sub-lease agreement is cancellable by either party by serving three months notice period. The rent received during the year amounting to INR 8 lakhs (March 31, 2017: INR 7 lakhs) has been netted off with rent expense.

Note 32: Events occurring after the reporting period

(i) Refer to note 27(b) for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

Notes forming part of financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 33: Earnings per share

	March 31, 2018	March 31, 2017
Net profit attributable to the equity holders of the Company	6,141	5,778
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	10,143,071	10,143,071
Basic and diluted earnings per share	**60.54**	**56.97**

Note: There are no dilutive instruments

Note 34: Disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006 based on the information.

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
The amounts remaining unpaid to micro and small suppliers as at the end of the year			
-Principals	103	123	176
-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 35: First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

A.1.2 Leases

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts / arrangements.

Notes forming part of financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

A.2 Ind AS mandatory exceptions

A.2.1 Estimates

An entity's estimates in accordance with Ind AS's at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- Determination of the discounted value for financial instruments carried at amortised cost.

A.2.2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirement in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

The Company has applied the above requirement on transition date.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at date of transition (April 1, 2016)

	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	6,7	10,855	167	11,022
Capital work-in-progress		34	-	34
Intangible assets		391	-	391
Intangible assets under development		15	-	15
Financial assets				
i. Loans		111	-	111
ii. Other financial assets		1	-	1
Deferred tax assets (net)	8	-	19	19
Non-current tax assets (net)		2,007	-	2,007
Other non-current assets	6,7	2,243	(165)	2,078
Total non-current assets		**15,657**	**21**	**15,678**
Current assets				
Inventories	5	8,862	703	9,565
Financial assets				
i. Trade receivables	5	3,364	(144)	3,220
ii. Cash and cash equivalents		2,276	-	2,276
iii. Other bank balances		13,269	-	13,269
iv. Loans		35	-	35
v. Other financial assets		347	0	347
Other current assets	7	3,177	(1)	3,176
Total current assets		**31,330**	**558**	**31,888**
Total assets		**46,987**	**579**	**47,566**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,014	-	1,014
Other equity	9	35,643	612	36,255
Total equity		**36,657**	**612**	**37,269**

Notes forming part of financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

	Notes to first-time adoption	Previous GAAP*	Adjustments	Ind AS
LIABILITIES				
Non-current liabilities				
Provisions		-	-	-
Deferred tax liabilities	8	44	(44)	-
Total non-current liabilities		**44**	**(44)**	**-**
Current liabilities				
Financial Liabilities				
i. Trade payables	5			
Total outstanding dues to micro and small enterprises		176	-	176
Total outstanding dues to other than micro and small enterprises		5,997	(33)	5,964
ii. Other financial liabilities	4	1,079	-	1,079
Provisions	1,4	1,605	(884)	721
Other current liabilities	5	1,429	928	2,357
Total current liabilities		**10,286**	**11**	**10,297**
Total liabilities		**10,330**	**(33)**	**10,297**
Total equity and liabilities		**46,987**	**579**	**47,566**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended March 31, 2017

	Notes to first-time adoption	Previous GAAP *	Adjustments	Ind AS
Revenue from operations	2,4,5	70,157	3,465	73,622
Other income		1,617	-	1,617
Total income		**71,774**	**3,465**	**75,239**
Expenses				
Cost of materials consumed	6	37,002	-	37,002
Purchase of stock-in-trade		6,194	-	6,194
Changes in inventories of finished goods, work in progress and stock-in-trade	2,5	(1,629)	36	(1,593)
Excise duty	2	-	3,444	3,444
Employee benefits expense	3	7,340	(96)	7,244
Finance costs		40	(0)	40
Depreciation and amortisation expense	6,7	2,320	25	2,345
Other expenses	4,5,7	11,792	(40)	11,752
Total expenses		**63,059**	**3,369**	**66,428**
Profit before tax		**8,715**	**96**	**8,811**
Tax expense				
- Current tax		3,150	-	3,150
- Tax related to prior year		(106)	-	(106)
- Deferred tax	8	(44)	33	(11)
Total tax expense		**3,000**	**33**	**3,033**
Profit for the year		**5,715**	**63**	**5,778**
Other comprehensive income	10			
Items that will not be reclassified to profit and loss				
Remeasurements of post-employment benefit obligations	3	**-**	(96)	(96)
Income tax relating to these items	8	-	33	33
Other comprehensive income		**-**	**(63)**	**(63)**
Total comprehensive income		**5,715**	**(0)**	**5,715**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes forming part of financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Reconciliation of equity as at March 31, 2017

	Notes to first-time adoption	PreviousGAAP *	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	6,7	10,105	166	10,271
Capital work-in-progress		33	-	33
Intangible assets		402	-	402
Intangible assets under development		-	-	-
Financial assets				
i. Loans		105	-	105
ii. Other financial assets		4,118	-	4,118
Deferred tax assets (net)	8	-	63	63
Non-current tax assets		2,827	-	2,827
Other non-current assets	6,7	1,525	(165)	1,360
Total non-current assets		**19,115**	**64**	**19,179**
Current assets				
Inventories	5	11,430	654	12,084
Financial assets				
i. Trade receivables	5	2,931	(293)	2,638
ii. Cash and cash equivalents		4,104	-	4,104
iii. Other bank balances		10,110	-	10,110
iv. Loans		65	-	65
v. Other financial assets		298	-	298
Other current assets	7	4,890	(2)	4,888
Total current assets		**33,828**	**359**	**34,187**
Total assets		**52,943**	**423**	**53,366**
EQUITY AND LIABILITIES				
Equity				
Equity share capital		1,014	-	1,014
Other equity	9	41,358	(121)	41,237
Total equity		**42,372**	**(121)**	**42,251**
LIABILITIES				
Non-current liabilities				
Provisions		20	-	20
Deferred tax liabilities	8	2	(2)	-
Total non-current liabilities		**22**	**(2)**	**20**
Current liabilities				
Financial Liabilities				
i. Trade payables	5			
Total outstanding dues to micro and small enterprises		123	-	123
Total outstanding dues to other than micro and small enterprises		7,058	(30)	7,028
ii. Other financial liabilities	4	1,107	-	1,107
Provisions	4	999	(170)	829
Other current liabilities	5	1,262	746	2,008
Total current liabilities		**10,549**	**547**	**11,095**
Total liabilities		**10,571**	**545**	**11,115**
Total equity and liabilities		**52,943**	**423**	**53,366**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes forming part of financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Reconciliation of total equity as at March 31, 2017 and April 1, 2016

	Notes to first-time adoption	March 31, 2017	April 1, 2016
Total equity (shareholders funds) as per previous GAAP		42,372	36,657
Adjustments:			
1. Revenue from operations			
a) Decrease in the income from sale of products	5	(939)	(980)
b) Decrease in the income from sale of services	4	(98)	(91)
2. Changes in inventories of finished goods, work-in-progress and stock-in-trade			
a) Decrease in cost of sales, related to the sales (referred to in point 1.a) above	5	655	703
3. Other expenses			
a) Decrease in sale expenses	5	29	33
b) Decrease in service expenses	4	167	151
4. Tax expenses			
a) Deferred tax impact on the above Ind AS adjustments	8	65	63
5. Dividend			
a) Proposed dividend	1	-	609
b) Distribution tax on proposed dividend	1	-	124
Total adjustments		**(121)**	**612**
Total equity as per Ind AS		**42,251**	**37,269**

Reconciliation of total comprehensive income for the year ended March 31, 2017

	Notes to first-time adoption	March 31, 2017
Profit after tax as per previous GAAP		5,715
1. Revenue from operations		
a) Increase in the income from sale of products	5	41
b) Decrease in the income from sale of services	4	(7)
2. Changes in inventories of finished goods, work-in-progress and stock-in-trade		
a) Increase in cost of sales, related to the sales (referred to in point 1.a) above	5	(48)
3. Employee benefit expenses		
a) Actuarial (gain)/loss on defined benefit plan transferred to other comprehensive income, net of tax	3	63
4. Other expenses		
a) Increase in sale expenses	5	(4)
b) Decrease in service expenses	4	16
5. Tax expenses		
a) Deferred tax impact on the above Ind AS adjustments	8	2
Total adjustments		**63**
Profit after tax as per Ind AS		**5,778**
Other comprehensive income	10	**(63)**
Total comprehensive income as per Ind AS		**5,715**

Impact of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017

	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	3,924	64	3,988
Net cash flow from investing activities	(1,314)	(24)	(1,338)
Net cash flow from financing activities	(733)	(40)	(773)
Net increase/(decrease) in cash and cash equivalents	**1,877**	**(0)**	**1,877**
Cash and cash equivalents as at April 1, 2016	2,276	-	2,276
Effects of exchange rate changes on cash and cash equivalents	(49)	-	(49)
Cash and cash equivalents as at March 31, 2017	**4,104**	**(0)**	**4,104**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes forming part of financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 1: Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of INR Nil as at March 31, 2017 (April 1, 2016: INR 609 lakhs) and dividend distribution tax thereon of INR Nil as at March 31, 2017 (April 1, 2016: INR 124 lakhs) included under provisions have been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 2: Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended March 2017 by INR 3,432 lakhs. There is no impact on the total equity and profit.

Note 3: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended March 31, 2017 increased by INR 96 lakhs. There is no impact on the total equity as at March 31, 2017.

Note 4: Deferred revenue - Service coupon

The Company operates a customer service coupon program for the domestic end customers. The coupons allows the end customer to get free inspection and service for the product purchased by them from the dealers or distributors within the validity of the coupon period. The free inspection and service is provided by the Company's customer i.e. the dealers or distributors. The Coupons are redeemed for cash by the dealer or distributor from the Company. Under the previous GAAP, the Company created a provision towards its liability under the programme.

Under Ind AS, sales consideration received has been allocated between the products sold and the service coupon issued. The consideration allocated to the service coupon has been deferred and is recognised as revenue when the coupons are lapsed. Accordingly, the Company has recognised deferred revenue to the extent of INR 98 lakhs as at March 31, 2017 (April 1, 2016: INR 91 lakhs) with corresponding adjustment to retained earnings. The provision created under previous GAAP amounting to INR 167 lakhs as at March 31, 2017 (April 1, 2016: INR 151 lakhs) has been reversed with a credit to retained earnings.

Consequent to the above, the profits for the year and total equity as at March 31, 2017 increased by INR 9 lakhs and 69 lakhs (April 1, 2016: INR 60 lakhs) respectively.

Note 5: Revenue recognition

Under previous GAAP, revenue from sale of goods to domestic customers were recognised at the time of dispatch of goods from the premises of the Company based on the contractual delivery terms with the customer. Under Ind AS, revenue from sale of goods is recognised when risk and rewards is transferred to the customer including there is no continuing managerial involvement retained by the company associated usually with ownership or effective control over the goods sold.

Under Ind AS, the risk and rewards is transferred by the Company on delivery of goods to the customer, consequently revenue from sale of goods to domestic customers is recognised when goods are delivered by the Company.

Consequent to the above, the profits for the year and total equity as at March 31, 2017 decreased by INR 11 lakhs and 255 lakhs (April 1, 2016: INR 244 lakhs) respectively.

Refer Reconciliation of total equity as at March 31, 2017 and April 1, 2016 and Reconciliation of total comprehensive income for the year ended March 31, 2017

Note 6: Lease arrangement

Under previous GAAP, arrangements that did not take the legal form of lease were accounted for based on the legal form of such arrangements e.g. job work arrangement. Under Ind AS, any arrangement (even if not legally structured as lease) which conveys a right to use an asset in return for a payment or series of payments are identified as leases provided certain conditions are met. In case such arrangements are determined to be in the nature of leases, such arrangements are required to be classified into finance or operating leases as per the requirements of Ind AS 17, Leases.

The Company has entered into certain job work arrangements which have been identified to be in the nature of of lease and have been classified as finance lease arrangements.

In previous GAAP, the Company had presented the same as advance to suppliers which were subsequently amortised in the profit or loss over the estimated useful life of the assets. This change has resulted in capitalisation of unamortised portion of job work assets as at March 31, 2017 INR 45 lakhs (April 1, 2016 of INR 44 lakhs) in property, plant and equipment. There is no impact on the total equity and profit.

Notes forming part of financial statements for the year ended March 31, 2018

(All amounts in INR lakhs, unless otherwise stated)

Note 7: Leasehold land

Under previous GAAP, advance rent paid by the Company on the leasehold land is included under other assets which was amortised and charged to the statement of profit and loss over the period of lease. Under Ind AS, the amount of advance rent is capitalised as part of leasehold land in property, plant and equipment and the is depreciated over the useful life of the land. There is no impact on the total equity and profit.

Note 8: Deferred tax

Under Ind AS, deferred tax has been recognised on the adjustments made on transition to Ind AS.

Note 9: Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 10: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Item of income / expense that is not recognised in profit or loss but is shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plan. The concept of other comprehensive income did not exist under the previous GAAP.

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

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

Siddharth Shriram	Chairman
D.V. Kapur	Director
Ravi V. Gupta	Director
Manoj Arora	Director
H. Sugimizu	Whole time Director
Vinay Mittal	Whole time Director & CFO

Abhishek Rara
Partner
Membership No. 077779

Sunita Ganjoo
Company Secretary

Place: New Delhi
Date: 24th May 2018

Honda Siel Power Products Limited

CIN: L40103DL2004PLC203950

Regd office: 409, Tower B, DLF Commercial Complex, Jasola

New Delhi – 110 025

Form No. MGT-11

Proxy Form

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

Name of the member (s):

Registered address: .....

E-mail Id: .....

Folio No/ *Client Id: .....

*DP ID: .....

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

1. Name: .....

Address: .....

E-mail Id: .....

Signature:....., or failing him

2. Name:

Address: .....

E-mail Id: .....

Signature:....., or failing him

3. Name:

Address:

E-mail Id: .....

Signature:.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on Monday, 13th day of August, 2018 at 11:00 a.m. at Kamani Auditorium, 1, Copernicus Marg, New Delhi 110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional see Note 2#)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Financial Statements together with the reports of Board of Directors and Auditors thereon.			
2	Declaration of dividend on equity shares			
3	Approval for re-appointment of Mr. Siddharth Shriram, Director, retiring by rotation			
Special Business				
4	Approval for revision in remuneration of Mr. Vinay Mittal, Whole Time Director			
5	Ratification of remuneration of the Cost Auditors for the Financial Year 2018-19			
6	Approval for increase in sitting fees to Non-Executive Directors			
7	Approval for material related party transactions entered/to be entered into from April 01, 2017 to March 31, 2020			

Signed this..... day of..... 2018.

Affix Revenue Stamp

....

Signature of shareholder

Signature of Proxy holder(s)

*Applicable for shareholders holding shares in electronic form

Note:

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

Tear Here

HONDA

ECS MANDATE FORM

1. Share Holder's Name : _____
   (in BLOCK LETTERS) (First Holder)

   _____
   (Joint Holder)

2. Folio Number / Client ID No. : ☐☐☐☐☐☐☐☐
   DP ID - NSDL ☐☐☐☐☐☐☐☐
   - CDSL ☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐☐

3. No. of Shares : _____
4. Bank Name : _____
5. Branch Name & Address : _____
   _____
   _____
6. Status of the Investor : Resident ☐ Non-Resident ☐
   (Mark '✓' in the appropriate box)
7. Bank Account Type : SB ☐ Current ☐
   (Mark '✓' in the appropriate box) Other (Please Specify) ……...

8. Bank Account Number* : _____
9. Ledger Folio No. of the A/c (if appearing on Cheque Book) : _____
10. Nine Digit Code Number of the Bank and Branch as appearing on the MICR Cheque issued by the Bank** : ☐☐☐☐☐☐☐☐☐

I / We hereby declare that the particulars given above are correct and complete. If credit is delayed or at all not effected for reasons of incomplete or incorrect information, I / We would not hold the Company responsible.

Dated : _____

_____
Signature of the First / Sole Holder
(as appearing in the Company's Records)

Note :

* A/c No. more than 15 characters are not acceptable for ECS.

** Please attach a photocopy of Cheque issued by your Bank relating to your above account for verifying the accuracy of the Code Number.

SHARAD

HONDA

Honda Siel Power Products Limited
409, Tower B, DLF Commercial Complex,
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