

HONDA

POWER PRODUCTS

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

FORM A

Name of the company	Honda Siel Power Products Limited
Annual financial statements for the year ended	31 st March 2015
Type of Audit observation	Un-qualified
Frequency of observation	Not applicable
<p>Signed by-</p> <p> Yoshifumi Iida President & CEO</p> <p> Vinay Mittal Whole Time Director and CFO</p> <p> Vikram Advani Partner B S R & Co. LLP Statutory Auditors</p> <p> D.V. Kapur Chairman - Audit Committee</p>	

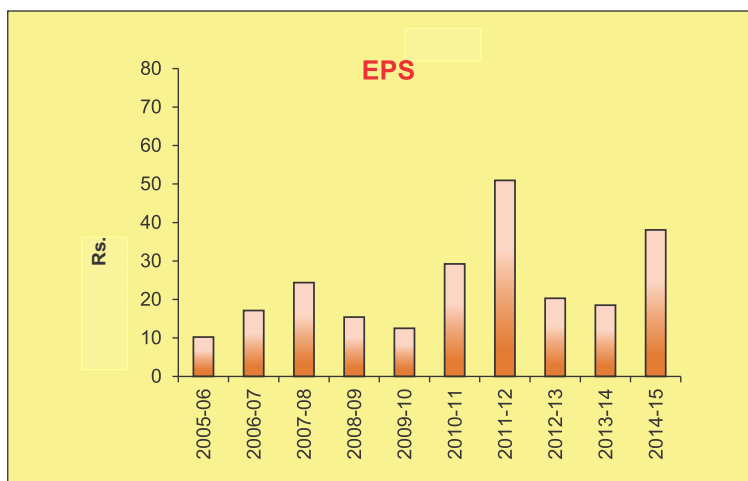
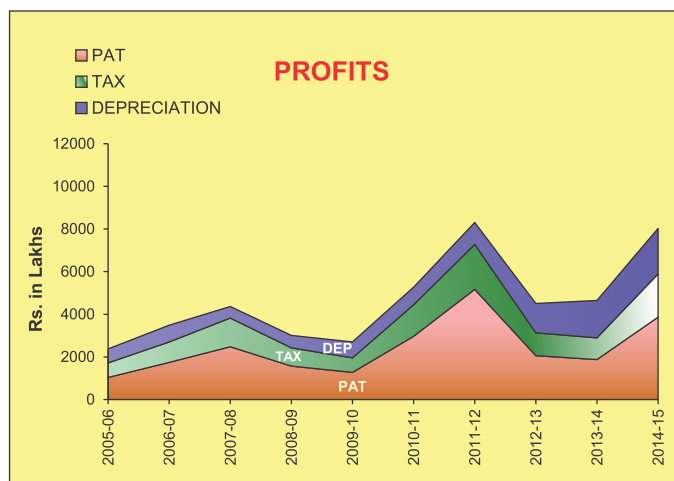
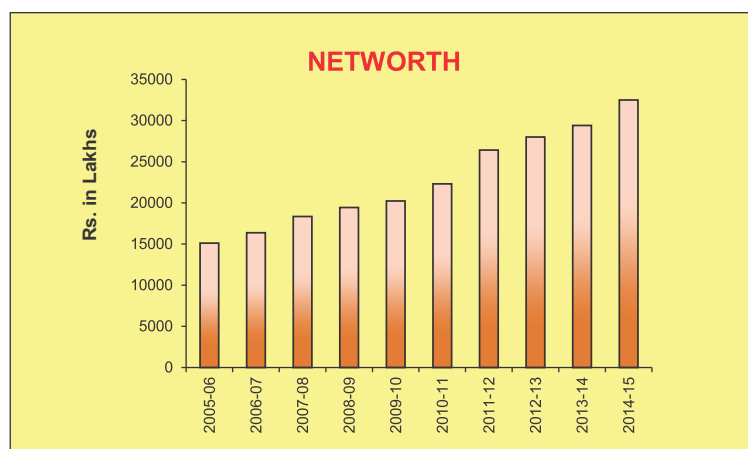
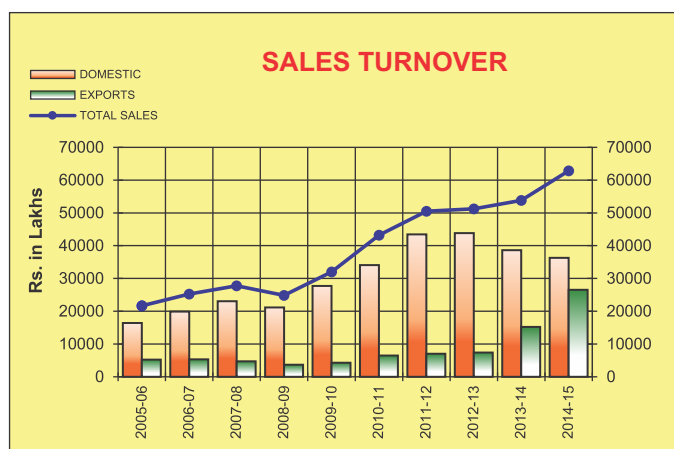


30th Annual Report

2014 - 2015



Ten Years Financial Performance



	SALES TURNOVER (Rs. in Lakhs)			PROFIT (Rs. in Lakhs)						
YEAR	DOMESTIC	EXPORTS	TOTAL SALES	PBDDT	DEPRECIATION	PBT	TAX	PAT	EPS (Rs.)	NETWORTH (Rs. in Lakhs)
2005-06	16416	5238	21654	2372	655	1717	680	1037	10.23	15113
2006-07	19897	5329	25226	3489	787	2702	964	1738	17.13	16376
2007-08	23057	4725	27782	4364	537	3827	1354	2473	24.38	18351
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

Corporate Information

Board of Directors

Mr. Siddharth Shriram
Chairman

Dr. Dharam Vir Kapur

Mr. Om Prakash Khaitan

Mr. Ravi Vira Gupta

Mr. Yoshifumi Iida
President & CEO

Mr. Hiroyoshi Sugimizu
Whole Time Director

Mr. Vinay Mittal
Whole Time Director & CFO

Mr. Shinya Inamura

Mr. Manoj Arora

Ms. Alka Marezban Bharucha

Company Secretary
Ms. Sunita Ganjoo

Technical and Financial Collaborators

Honda Motor Co., Ltd.
1-1, 2 Chome, Minami-aoyama, Minato-ku
Tokyo, Japan

Statutory Auditors

M/s. B S R & Co. LLP
Chartered Accountants
Building No. 10, 8th Floor, Tower-B,
DLF Cyber City, Phase-II, Gurgaon-122 002

Bankers

The Bank of Tokyo-Mitsubishi UFJ Ltd.
HDFC Bank Ltd.
ICICI Bank Ltd.
Yes Bank Ltd.

Registered Office

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

Head Office

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

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NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of the Company will be held on August 12, 2015 (Wednesday) at Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110 001 at 11.15 a.m. to transact the following businesses:

ORDINARY BUSINESS

1. To consider and adopt the Financial Statement of the Company for the year ended March 31, 2015 including Audited Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss for the year ended on that date and 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. Vinay Mittal (DIN 05242535), who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 139 (1) and (2) and provisos thereto, read with Companies (Audit and Auditors) Rules 2014 and all other applicable provisions, if any, of the Companies Act, 2013 and pursuant to recommendation of the Audit Committee, M/s B S R & Co. LLP, Chartered Accountants, (firm Registration No. 101248W), be and are hereby appointed as auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company, at such remuneration (exclusive of Service Tax and reimbursement of out-of-pocket expenses incurred by them for carrying out the audit), as may be fixed by the Board of Directors or any Director(s), jointly or severally, as may be authorised by the Board.”

SPECIAL BUSINESS

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 (the “Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Act and Clause 49 of the Listing Agreement, Ms. Alka Marezban Bharucha (DIN 00114067), who was appointed as an Additional Director of the Company by the Board of Directors with effect from September 15, 2014, in terms of Section 161(1) of the Act and Articles of Association of the Company and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term up to September 14, 2019.”
6. 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 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under, including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Yoshifumi Iida (DIN 07136925) who was appointed as an Additional Director of the

Company to hold office as such from 01.04.2015, under Section 161 of the Companies Act, 2013 and Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation.”

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under, including any statutory modification(s) or re-enactment thereof for the time being in force, read with Schedule V of the Companies Act, 2013 and subject to the approval of the Central Government, if required, and such other approvals and sanctions as may be necessary, approval of the Shareholders be and is hereby accorded for the appointment of Mr. Yoshifumi Iida (holding DIN 07136925) as Managing Director, to be designated as President & CEO of the Company and for payment of remuneration, for a period of five years with effect from April 01, 2015, on the following terms and conditions, as recommended by the Nomination and Remuneration Committee:

Basic Salary	Rs.75,000/- (Rupees Seventy Five Thousand) per month
Special Allowance	Rs.6,50,000/- (Rupees Six Lakh Fifty Thousand) per month
Residence	
- House Rent	As per Company Rules
- Hard Furnishing	Provision of furnishing as per Company rules
Conveyance	
- Car	Company car for which following expenses shall be borne by the Company : - Running & Maintenance Expenses - Road Tax and Insurance charges
- Driver	Will be provided by the Company for official purpose only
Other Benefits	
- Medical Reimbursement	Actual medical expenses will be borne by the Company
- Leave	35 days per year of service (i.e. 365 days from date of arrival) Leave may be accumulated but encashment will not be permissible Plus In case of death or imminent danger of death of member of immediate family i.e mother, father, wife and children in Japan, special home

leave will be granted for reasonable sufficient period. Round trip air ticket shall be provided by the Company

- Personal Accident Insurance	Premium will be borne by the Company as per Company rules
- Group Medi-Claim Insurance	Premium will be borne by the Company as per Company rules
- Insurance of household goods	Premium will be borne by the Company
- Membership fee	Membership fee for Japanese Association
- Club Fee	Membership fee for one club
- Subsidy for recreation	Rs.24,000/- (Rupees twenty four thousand) per annum
- Miscellaneous Expenses	At actuals as per rules of the Company to cover import duty and charges for Japanese food, gasoline, maintenance at house for generator, security guard, electricity, pest control repair and maintenance for electric goods, furniture etc. at house
- Passage fare	Expenses pertaining to cost of Air Ticket (Economy class) and all other travel related expenses pertaining to self and family incurred in connection with commencement and completion of deputation to be borne by the Company Plus Reimbursement of to and fro air fare (Economy class) for self and family pertaining to travel to Japan for two times per year, for medical check up and rest
- Packing & shipping expenses	Actual expenses pertaining to moving household goods and personal effects (including expenses for packing, custom clearance, import duties, if levied and transportation will be borne by the Company both at the time of commencement and completion of deputation
- Other payments	As may be applicable under various acts and rules prevailing in India

RESOLVED FURTHER THAT the Board of Directors, which term shall include the Committee of the Board duly constituted, be and is hereby authorized to alter and vary from time to time during the tenure of appointment of Mr. Yoshifumi Iida, the terms and conditions of appointment including the remuneration in such manner as in the best interest of the Company and in accordance with the laws in force from time to time and acceptable to Mr. Yoshifumi Iida, provided that the remuneration after such alteration shall not exceed the limits prescribed under the Companies Act, 2013.

RESOLVED FURTHER THAT the remuneration as aforesaid, shall

be paid as minimum remuneration, if necessary with the approval of the Central Government, for any year in the event of absence or inadequacy of profits for such year.

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

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 or any amendment or modification thereof and subject to the approval of the Central Government, if required and such other 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 & CFO, for the period from 01.04.2015 to 31.03.2016 (both days inclusive), as recommended by the Nomination and Remuneration Committee, as per the following particulars:

Basic Salary	Rs. 2,32,334/- (Rupees two lac thirty two thousand three hundred thirty four only) per month.
Perquisites	
Housing Allowance	Rs. 1,16,167/- (Rupees One lac sixteen thousand one hundred sixty seven only) per month.
Special Allowance	Rs. 1,83,735/- (Rupees one lac eighty three thousand seven hundred thirty five only) per month.
Medical reimbursement	Rs. 1,250/- (Rupees one thousand two hundred fifty only) per month.
Child Education	Rs. 200/- (Rupees two hundred only) per month.
Washing Allowance	Rs. 2,000/- (Rupees two thousand only) per month.
Food Allowance	Rs. 3,000/- (Rupees three thousand only) per month.
Entertainment Reimbursement	Rs. 5,000/- (Rupees five thousand only) per month.
Leave Travel Concession	Rs. 29,042/- (Rupees twenty nine thousand forty two only) per month.
Club Fee	One Club.
Personal Accident Insurance	As per Company policy.
Medical Insurance	As per Company policy.
Car (including 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 recuperation of medical reimbursement, leave travel concession and other perquisites, benefits, leave accrued to Mr. Vinay Mittal till 31.03.2015 be and are hereby approved to be carried forward.

RESOLVED FURTHER THAT the above remuneration shall, with the approval of the Central Government if necessary, be the minimum remuneration payable to Mr. Vinay Mittal in the event of absence or inadequacy of profit during any financial year.

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

9. 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 who were appointed as the Cost Auditors of the Company by the Board of Directors, for conducting of audit of the cost records of the Company for the financial year 2015-16 at a remuneration of Rs. 1,00,000.00 (Rupees One Lakh) (exclusive of Service Tax 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 are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of amended Clause 49(VII)(E) , including any amendment, modification, variation or re-enactment thereof, approval of the members be and is hereby accorded for the material related party transactions entered into by the Company during the financial year ended March 31, 2015, as per the following details:

	Name of the related Party	Relationship	Nature, duration and particulars of the Contract/ arrangement	Value (Rs./Lakh)	Basis	Explanation
1	Honda Motor Co., Ltd., Japan	Promoter	Royalty	1,249.22	Running royalty @ 6% of net ex-factory sales price	Rate of royalty paid by the Company compared with terms agreed between unrelated parties
			Export Commission	1,059.73	8% of export price in FOB	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 including Capitalisation	442.82	Monthly labour cost of technical experts (Japanese Yen) + reimbursement of 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	2,477.59	Cost Plus basis	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities
			Purchase of Finished Goods	530.58	Cost Plus basis.	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities
			Purchase of Spares	16.61	Cost Plus basis.	The Company's margin (OP/TC) compared with companies engaged in similar manufacturing activities
			Purchase of Capital Goods	111.44	Cost Plus basis.	Related Party's margin (OP/TC) on sale compared with companies in similar region

			Reimbursement received and paid including warranty expenses	71.73	Actual basis	Evidence / Representation that price recovered is the actual cost incurred for warranty / other expenses
			Export Sale of Finished Goods	367.20	Cost plus basis / terms and 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
2	American Honda Motor Co. Inc, America	Subsidiary of Honda Motor Co., Ltd., Japan	Export Sale of Finished Goods	7,786.16	Cost plus basis / terms and 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	12.24	Actual basis	Evidence / Representation that price recovered is the actual cost incurred for warranty / other expenses"

Place: New Delhi
 Date : May 18, 2015

By order of the Board
 for **Honda Siel Power Products Limited,**
Sunita Ganjoo
 Company Secretary

NOTES

- In terms of Section 102(1) (a) and (b), none of the Directors, Key Managerial Persons or their relative have any concern, financial or otherwise and does not have any conflict of interest in Item No. 5 to Item No. 10 except as expressed under in the explanatory statement.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 which sets out details relating to Special Business at the meeting is annexed hereto.
- 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 PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.**
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 THE NOTICE. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- Corporate Members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- The Register of Members and Share Transfer Books of the Company will remain closed from August 06, 2015 to August 12, 2015 (both days inclusive).
- Payment of Dividend
 The Dividend on Equity Shares for the year ended March 31, 2015, as recommended by the Board, if declared at the meeting will be paid as follows:
 - In respect of shares held in physical form, to those Members whose names appear on the Register of Members of the Company on August 12, 2015 after giving effect to all valid share transfers lodged with the Company on or before August 05, 2015.
 - 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 the business hours on August 05, 2015.

The members are hereby informed that the Company would transfer the dividends which remain unclaimed over a period of 7 years to the Investor Education and Protection Fund ('IEPF') established under Section 205C of the Companies Act, 1956/125 of the Companies Act, 2013.

The Company has already transferred unclaimed dividends upto financial year 1994-95 to the General Revenue Account of the Central Government and for the financial years 1995-96 to 2006-07 to IEPF. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and

unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 05, 2014 (date of last Annual General Meeting) on the website of the Company (www.hondasielpower.com), as also on the website of the Ministry of Corporate Affairs. Following are the details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to IEPF:

Dividend year	Date of Declaration	Due date for transfer to IEPF
2007-08	10.09.2008	10.10.2015
2008-09	07.09.2009	07.10.2016
2009-10	19.08.2010	18.09.2017
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

The Company shall not be in a position to entertain the claims of the shareholders for the unclaimed dividends, which have been transferred to the credit of IEPF. Accordingly, the shareholders are advised to send all the un-encashed dividend warrants pertaining to the years 2007-08 upto 2013-14 to our Share Transfer Agent at New Delhi for revalidation and en-cash them before the due dates for transfer to IEPF.

8. Investors holding shares in physical mode are advised, with a view to provide protection against fraudulent encashment of dividend warrants, to forward the particulars of their bank account, name, branch and address of the bank immediately, if not sent already, so as to enable us to incorporate the same on the dividend warrants.

Investors holding shares in physical mode are further advised to opt for Electronic Clearing Service (ECS) to avail of fast and safe remittance of dividend and return the Mandate Form at the earliest accurately filled and signed. A photocopy of a leaf of your cheque book bearing your bank account number may also be sent along with the Mandate Form to the Share Transfer Agent. A blank ECS Mandate Form is annexed. The same is also available on the website of the Company at www.hondasielpower.com.

9. Electronic copy of the Annual report for the financial year 2014-15 along with Notice of the 30th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report along with Notice of the 30th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
10. Members may also note that the Notice of the 30th Annual General Meeting and the Annual Report for financial year 2014-15 will also be available on the Company's website www.hondasielpower.com for their download.
11. Documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company during office hours on all working days between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General 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 Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 30th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Service India Limited (CDSL).
 - ii. The facility for voting through ballot paper shall 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 Tanuj Vohra and Associates, Practising Company Secretaries as Scrutiniser to scrutinise the poll and remote evoting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
 - v. Voting shall be reckoned on the paid up value of shares registered in the member/ beneficial owner (in case of electronic shareholding) as on the cut off date i.e. August 05, 2015.
- A person, whose name is 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 05, 2015 only shall be entitled to avail the facility of remote evoting.
- vi. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. August 05, 2015, may follow the same procedure as mentioned below for e-Voting. However, if you are already registered with CDSL for remote e-voting then you can use your existing password for casting your vote. If you have forgotten your login password then 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.
 - vii. **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 on 9th August, 2015.
 - End of remote e-voting - upto 5:00 pm on 11th August, 2015.

During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. August 05, 2015, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall 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.
- (iv) Now Enter your User ID
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If 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 Limited.
- (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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed 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) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian 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 should be mailed 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.

- (xix) In case you have any queries or issues regarding e-voting, you may refer to 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.
- (xx) The Results on above resolutions shall be declared not later than 48 hours from the conclusion of the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- (xxi) The Results of voting will be declared and the same along with Scrutinizer's Report(s) will be published on the website of the Company (www.hondasielpower.com) and on Service Provider's website www.evotingindia.com and the same shall also be simultaneously communicated to the BSE Limited and the National Stock Exchange of India Limited within 48 hours from the conclusion of the AGM.
14. Brief resume and other particulars of Mr. Vinay Mittal , Ms. Alka Marezban Bharucha and Mr. Yoshifumi Iida as required under Clause 49 of Listing Agreement are annexed.
15. Members are requested to:
- Send their queries, if any, to reach the Company's Registered Office at 409, DLF Tower B, Jasola Commercial Complex, New Delhi – 110 025 at least 10 days before the date of the Meeting so that information can be made available at the Meeting.
 - Avail the dematerialization facility and get their shareholding

dematerialized by sending the Dematerialization Request Form alongwith the Share Certificates through their Depository Participant.

- c) Notify immediately any change in their address to the Company or to the Company's Registrar and Share Transfer Agent quoting their folio number and also notify their e-mail address for prompt response.
16. M/s Mas Services Ltd. is Registrar and Share Transfer Agent of the Company. All investor related communication may be addressed to:
- M/s Mas Services Limited
Unit: Honda Siel Power Products Limited
T-34, 2nd Floor, Okhla Industrial Area, Phase - II,
New Delhi - 110 020
Ph:- 011 26387281/82/83, Fax:- 011 26387384
email:- info@masserv.com
website : www.masserv.com
17. The 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.
18. In terms of Section 72 of the Companies Act, 2013 the Members of the Company may nominate a person to whom the shares held by him shall vest in the event of death. In case you wish to avail the nomination facility in respect of shares held by you, please write to M/s Mas Services Ltd., Registrar and Share Transfer Agent of the Company.
19. The Ministry of Corporate Affairs ('MCA') through provisions in new Companies Act, 2013 has allowed paperless compliances by Companies through electronic mode. To take part in this initiative, your Company proposes to send documents like the Notice convening the General Meetings, Financial Statements, Annual Reports etc. in electronic form to those Members who wish to get the same in electronic form, in lieu of receiving in physical mode, at their e-mail addresses registered with the Company/Depositories.
- Members desirous of availing the above facility in future are requested to register/update their email IDs with the Company's Registrar and Share Transfer Agent at the address mentioned above.
20. **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.**

EXPLANATORY STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 5

In order to strengthen the Board and to comply with the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges relating to the appointment of woman director on the Board of the Company, Ms. Alka Marezban Bharucha was appointed as an Independent Director of the Company for 5 years with effect from September 15, 2014. Ms. Bharucha is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013. The Company has also received a declaration from Ms. Bharucha that she meets the criteria of

independence as Prescribed under section 149 of the Companies Act, 2013 and clause 49 of the Listing Agreement. In the opinion of the Board, she fulfills the conditions specified in the Companies Act, 2013 and rules made there under for her appointment as Independent Director of the Company and is independent of the management.

Copy of letter of appointment of Ms. Alka Marezban Bharucha is available for inspection by members at the registered office of the Company.

Except Ms. Alka Marezban Bharucha none of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise and does not have any conflict of interest in the resolution.

The Board recommends the resolution for your approval.

ITEM NO. 6

The Board of Directors in its meeting held on March 30, 2015 on recommendation of Nomination and Remuneration Committee, appointed Mr. Yoshifumi Iida as an Additional Director of the Company w.e.f. April 1, 2015, subject to the approval of the Shareholders.

Notice under section 160 of the Companies Act, 2013 has been received from a member proposing his candidature for the office of Director of the Company.

The Board of Directors is of the considered opinion and confident that Mr. Iida's guidance would be beneficial to the Company and recommends the resolution for your approval.

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

The Board recommends the resolution for your approval.

ITEM NO. 7

The Board of Directors in its meeting dated March 30, 2015 has appointed Mr. Yoshifumi Iida as Managing Director, to be designated as President & CEO of the Company for a period of five years effective April 1, 2015, on the terms and conditions as set out in the resolution.

The Board of Directors in their Meeting held on March 30, 2015 pursuant to the recommendation of Nomination and Remuneration Committee has approved the remuneration of Mr. Yoshifumi Iida.

Except Mr. Yoshifumi Iida 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.

Your Directors recommend the resolution for your approval.

ITEM NO. 8

You had approved the remuneration of Mr. Vinay Mittal as Whole-Time Director of the Company from 01.04.2014 to 31.03.2015 at the Annual General Meeting of the Company held on August 5, 2014.

Pursuant to the recommendation of Nomination and Remuneration Committee, remuneration of Mr. Vinay Mittal from 01.04.2015 to 31.03.2016 was approved, pursuant to recommendation of Nomination and Remuneration Committee, by the Board on March 30, 2015.

The recuperation of medical reimbursement, leave travel concession and other perquisites, benefits, leave accrued to him till 31.03.2015 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.

Your Directors recommend the resolution for your approval.

ITEM NO. 9

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 has approved the appointment of M/s. Rakesh Singh & Co. as the Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2015-16, at a remuneration of Rs. 1,00,000.00 (Rupees One Lakh) (exclusive of Service Tax and reimbursement of out-of-pocket expenses incurred by them for carrying out the audit). The Auditors have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. The remuneration to the cost auditor requires your ratification and confirmation. The Board recommends the Resolution at Item No. 9 of the accompanying Notice for ratification by the Members of the Company.

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. 10

To comply with the revised Clause 49 of the Listing Agreement which has come into operation with effect from October 01, 2014, shareholders' approval is required for material related party transactions. However, section 188 of the companies Act, 2013, states that nothing in section 188(1) will apply to any transaction entered into by the Company in its ordinary course of business and at arm's length basis. All the proposed transactions put up for approval of shareholders' are in the ordinary course of business and at arm's length. The transactions are of repetitive nature and are must and crucial for the operations of the Company.

As per the provisions of revised Clause 49 of the Equity Listing Agreement, the subject transactions, as detailed in the resolution, are material in nature and require your approval.

The transactions as detailed in the resolution were approved by the Audit Committee and recommended by the Board of Directors for your approval.

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.

However, Mr. Yoshifumi Iida, Mr. Hiroyoshi Sugimizu, Mr. Shinya Inamura 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

Place: New Delhi
Date : May 18, 2015

Information pursuant to Clause 49 of the Listing Agreement

A brief resume of the Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting is given below:

Particulars	Mr. Vinay Mittal	Ms. Alka Marezban Bharucha	Mr. Yoshifumi Iida
DIN	05242535	00114067	07136925
Date of Birth	09.09.1966	06.03.1957	17.01.1964
Date of appointment/ re-appointment	01.04.2012	15.09.2014	01.04.2015
Expertise in specific functional Areas	Mr. Mittal has around 25 years of wide and varied experience in the field of Finance & Accounts, Direct & Indirect Tax, Imports, Secretarial, Legal and General Management in various industries.	Ms. Bharucha has vast and rich work experience at the bar. Her core areas of expertise are mergers and Acquisitions, joint ventures, banking and finance and private equity.	Mr. Iida has expertise in domestic sales, sales network building, strengthening business and staff training. He also has expertise in export business, business planning and execution, market planning and sales activities.
Qualifications	Graduate in Commerce from Delhi University Fellow Member of The Institute of Chartered Accountants of India	LL.B, LL.M	Graduate Major – Industrial Relations
Name of other Indian companies in which directorship held	NIL	<ul style="list-style-type: none"> - Safalya Investment & Trades Pvt. Ltd. - Suryojit Investment & Engineering Pvt. Ltd. - Honda Cars India Ltd. - Birla Sun Life Asset Management Company Ltd. - Aditya Birla Finance Ltd. 	- Honda Motor India Private Limited
Chairman/ Member of Board Committees in Indian Companies	Honda Siel Power Products Limited <ul style="list-style-type: none"> - Board Committee on Financial Matters - Member - Stakeholders Relationship Committee - Member - Corporate Social responsibility Committee - Member 	Honda Cars India Limited <ul style="list-style-type: none"> - Audit Committee - Member - Nomination and Remuneration Committee - Member 	Honda Siel Power Products Limited <ul style="list-style-type: none"> - Audit Committee - Member - Stakeholders Relationship Committee - Member - Board Committee on Financial Matters - Chairman - Corporate Social responsibility Committee - Member
Shareholding in the Company	NIL	NIL	NIL

Honda Siel Power Products Limited

CIN: L40103DL2004PLC203950

 Regd office: 409, DLF Tower B, Jasola Commercial Complex,
 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 30th Annual general meeting of the Company, to be held on the 12th day of August, 2015 at 11.15 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 Number	Resolution	Vote (Optional see Note 2) (please mention No. of shares)		
		For	Against	Abstain
Ordinary Business				
1	Adoption of Balance Sheet, Statement of Profit and Loss, Report of the Board of Directors and Auditors thereon for the financial year ended March 31, 2015			
2	Declaration of dividend on equity shares			
3	Approval for re-appoint of Mr. Vinay Mittal, Director, retiring by rotation			
4	Approval for appointment of Auditors and fixing their remuneration			

Resolution Number	Resolution	Vote (Optional see Note 2) (please mention No. of shares)		
		For	Against	Abstain
Special Business				
5	Approval for appointment of Ms. Alka Marezban Bharucha as Independent Director of the Company			
6	Approval for appoint Mr. Yoshifumi Iida as a Director, liable to retire by rotation			
7	Approval for appoint Mr. Yoshifumi Iida as President & CEO of the Company for a period of five years with effect from April 01, 2015 and to approve terms of appointment			
8	Approval of payment of remuneration to Mr. Vinay Mittal, Whole Time Director with effect from April 01, 2015 to March 31, 2016			
9	Ratification of remuneration of the Cost Auditors			
10	Approval of material related party transactions for the financial year ended March 31, 2015			

Signed this day of 2015

Affix
Rs. 1/-
Revenue
Stamp
here

.....

Signature of Member (s)

.....

Signature of the Proxy holder (s)

Notes:

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered office of the Company, not less than 48 hours before the meeting.
2. It is optional to indicate your preference. 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 he/she may deem appropriate.

ECS MANDATE FORM

1. Shareholder'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 Sole/First Holder
(as appearing in the Company's Records)

Note :

* A/c No. more than 15 characters is not acceptable for ECS.

** Please attach a photocopy of Cheque/ Cancelled Cheque issued by your Bank relating to your above account for verifying the accuracy of the Code Number.

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 30th Annual Report together with Audited Accounts of the Company for the year ended 31st March 2015.

1. Financial Results:

(Rs. in lacs)		
Particulars	Year Ended March 31, 2015	Year Ended March 31, 2014
Revenue from Operations	63,073	54,135
Other Income	709	457
Profit before depreciation and exceptional items	7,678	5,569
Depreciation	2,131	1,754
Exceptional items	(347)	922
Profit before tax	5,894	2,893
Tax Expenses	2,032	1015
Profit after Tax	3,862	1,878
Balance of profit brought forward	15,855	14,673
Amount available for appropriation	19,717	16,551

APPROPRIATIONS

Dividend	609	406
Tax on Dividend	124	69
General Reserves	-	188
Balance carried to Balance Sheet	18,984	15,888

a) Dividend

Your Directors recommend a dividend of Rs. 6/- per equity share of Rs. 10/- each (60%) for the year ended 31st March 2015 (previous year 40%). The total outgo on this account (including dividend tax) will be Rs. 733/- lacs.

b) Transfer of Amounts to Investor Education and Protection Fund

In compliance with Section 125 of the Companies Act, 2013 and Section 205 (C) of the Companies Act, 1956, the Company has transferred a sum of Rs. 3,12,176.00 during the financial year 2014-15 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.

2. Results of Operations and the state of Company's affairs

Your company achieved sales of Rs. 65,725 lakh in 2014-15 (as against Rs. 57,570 lakh in 2013-14) in domestic and export markets, thereby registering a growth of 14% over the previous year.

The year saw the introduction of the New 7 kVA generator for European and Japanese markets. This new model is expected to contribute significantly to your Company's future business growth.

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

3. Environment Protection and Safety

Your Company is committed towards the protection and safety of environment. This is depicted in overall HONDA Philosophy "BLUE SKIES FOR OUR CHILDREN" and is adopted by your Company also. All associates make efforts in their daily operations towards controlling emissions, effluents and waste disposal arising out of manufacturing processes, product and services as per the predefined norms.

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.

4. Details of Board meetings

During the year under review, five Board Meetings were held details of which are given below:

Date of the meeting	Total No. of Directors on the Board	No. of Directors attended the meeting
May 30, 2014	10	Eight (8)
August 05, 2014		Eight (8)
November 03, 2014		Nine (9)
February 12, 2015		Ten (10)
March 30, 2015		Nine (9)

Resolutions by Circulation were passed on the following dates:

1. April 01, 2014
2. June 02, 2014
3. August 30, 2014
4. September 12, 2014
5. September 18, 2014
6. September 26, 2014

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

5. Committees of Board

The details of composition of the Audit Committee and other Committees of the Board of Directors alongwith the attendance thereof is provided in the Corporate Governance Report forming part hereof.

6. 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**.

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

i) Vigil Mechanism / Whistle Blower Policy

In order to provide Vigil Mechanism avenue to our Directors, Associates, Customers, Vendors and Dealers to raise concerns in line with the commitment of the Company to highest standards of ethical, moral and legal business conduct and its commitment to transparent approach, Vigil Mechanism 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 senior executives/directors, to provide an opportunity to all Directors/Associates/ Vendors/ Customers to access BEC in good faith, in case they observe an unethical or improper practice in the Company.

The detailed policy is posted on the Company's website at the weblink: [https:// www.hondasielpower.com](https://www.hondasielpower.com).

8. 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:

- in the preparation of the annual accounts for the year ended March 31, 2015, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2015 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with

the provisions of the Act 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; and
- (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..

9. 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.

10. Auditors

i) Statutory Auditors

M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No. 101248W), Statutory Auditors of the Company will hold office until the conclusion of the forthcoming Annual General Meeting of the Company and are eligible for re-appointment as per Section 139 of the Companies Act, 2013. M/s. B S R & Co. LLP have expressed their willingness to get re-appointed as the Statutory Auditors of the Company and have furnished a certificate of their eligibility and consent under Section 139 (1) and 141 of the Companies Act, 2013 and the rules framed thereunder.

The Auditors have represented that they have been subjected to the 'Peer Review Process' of The Institute of Chartered Accountants of India and hold a valid Certificate.

The observations of Statutory Auditors in their report, read with the relevant Notes to Accounts are self explanatory and therefore, do not require any further explanation.

ii) Cost Auditors

In pursuance of Section 148 of the Companies Act 2013, Circular issued by the Ministry of Corporate Affairs and applicable provisions, if any, the Board of Directors, on recommendation of the Audit Committee, has appointed M/s Rakesh Singh & Co., Cost Accountants as Cost Auditors of the Company for the Financial Year 2015-16, for conducting the audit of the cost records maintained by the Company, subject to the approval of the Members on the remuneration to be paid to the Cost Auditors.

iii) Secretarial Auditor and Secretarial Audit Report

The Board had appointed M/s Tanuj Vohra & Associates, Company Secretaries to carry out Secretarial Audit under the provisions of Section 204 of the Companies Act, 2013 for the financial year 2014-15. Their report is annexed to this report as **Annexure - D**. The report does not contain any qualification.

11. Related Party Transactions

All Contracts/transactions/arrangements entered into by the Company during the financial year with the Related Parties were in ordinary course of business and on an arm's length basis.

However, in view of the applicability of Clause 49 of the Listing Agreement, all Related Party Transactions are approved by the Audit Committee. Omnibus approval is obtained for un-foreseen transactions. Subsequently on a quarterly basis the transactions are presented to the Audit Committee, specifying the nature, value and terms and conditions of the same.

The Related Party Transactions Policy, as approved by the Board, has been uploaded on the Company's website at the weblink: <https://www.hondasielpower.com>.

12. Risk Management Policy

In compliance with the requirement of the Companies Act, 2013 the Company has put in place Risk Minimization and Assessment Procedures. In order to effectively and efficiently manage risk and address challenges, the Company has formulated Risk Management Policy.

The objective of any risk identification and assessment process is to evaluate the combination of likelihood and level of negative impacts from an event. The three main components of risk assessment are business risk, service/operational risk and external risk.

The Company manages the risk in line with current risk management best practices. This facilitates the achievement of our objectives, operational effectiveness and efficiency, protection of people and assets, informed decision-making and compliance with applicable laws and regulations.

13. 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**.

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

14. Policy on Remuneration to be paid to Directors, Key Managerial Personnel (KMP) and other employees and criteria for appointment of Directors

The Board vide resolution by circulation dated September 18, 2014 adopted a policy, on Remuneration to be paid to Directors, Key Managerial Personnel and other employees and Criteria for Appointment of Directors.

The objective of the policy is to define the criteria for qualification, qualities and characteristics for the Board as a whole and to ensure that Executive/Non-Executive Directors and Key Managerial Personnel are sufficiently compensated for their performance.

Policy on appointment of Directors

The Composition and strength of the Board of Directors ("the Board") of the Company is subject to the provisions of the Companies Act, 2013, Listing Agreements and Articles of the Association of the Company. The Nomination and Remuneration Committee is responsible for evaluating the qualifications of each candidate to be appointed as Director on the Board

In general, it is expected from a Director to possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the Company's business and to have ample experience and a proven record of professional success, leadership and the highest level of personal and professional ethics, integrity and values.

Remuneration Policy

Non-Executive Independent Directors receive sitting fees for attending the Meeting of the Board and Committees thereof. The Executive Directors and other employees are paid remuneration by way of salary, perquisites, allowances and variable pay. Perquisites and retirement benefits are paid as per the Company policy. The remuneration of Executive Directors, as recommended by the Nomination and Remuneration Committee, is approved and further recommended by Board of Directors to the Members for approval. Remuneration and annual variable pay of Executive Directors and employees is determined keeping in view the industry benchmark and the relative performance of the Company.

Criteria of Independence

The Nomination and Remuneration Committee shall assess the independence of Directors at the time of appointment / re-appointment pursuant to the criteria laid down in Companies Act, 2013 and Clause 49 of the Listing Agreement and the Board shall assess the same annually. The Board shall re-assess determinations of independence when any new interests or relationships are disclosed by a Director.

15. Declaration by independent directors

The Board of the Company consists of Dr. Dharam Vir Kapur, Mr. Om Prakash Khaitan, Mr. Ravi Vira Gupta, Mr. Manoj Arora and Ms. Alka Marezbhan 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.

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

- a) Mr. Ravi Prakash Mehrotra (DIN 06823899), an independent Director on the Board of the Company, due to some personal reasons resigned from the Board with effect from September 01, 2014.
- b) Mr. Takashi Hamasaki (DIN 03024621), President & CEO of the Company on completion of his tenure has resigned from the Board with effect from March 31, 2015.
- c) Mr. Yoshiyuki Matsumoto (DIN 06542714), Director of the Company, due to relocation to some other place, has resigned from the Board with effect from April 01, 2015.
- d) Mr. Rahul Kumar, Company Secretary (Membership No. A20928), resigned from the services of the Company with effect from September 26, 2014.

The Board placed on record its appreciation for the valuable services rendered by the above directors and KMPs.

ii) Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013, Articles of Association of the Company and applicable Regulations issued by the Securities & Exchange Board of India, Mr. Vinay Mittal (DIN 05242535), Director 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.

iii) Appointment**i) Ms. Alka Marezbhan Bharucha (DIN 00114067)**

Ms. Alka Marezbhan Bharucha has been appointed as an additional Director (Independent Director) under Section 161 of the Companies Act, 2013 with effect from September 15, 2014 till the date of the ensuing Annual General Meeting.

The Company has received a notice as per the provisions of Section 160(1) of the Companies Act, 2013 from a member proposing her appointment as Director. The Board of Directors recommend her appointment.

ii) Mr. Yoshifumi Iida (DIN 07136925)

Mr. Yoshifumi Iida has been appointed as an additional Director (Non-Independent/Executive Director) with effect from April 01, 2015 to hold office upto the date of the ensuing Annual General Meeting. The Board of Directors has further proposed his appointment as Whole Time Director to be designated as President & CEO of the Company.

The Company has received a notice as per the provisions of Section 160(1) of the Companies Act, 2013 from a member proposing his appointment as Director. The Board of Directors recommend his appointment.

iii) Mr. Shinya Inamura (DIN 06851565)

Mr. Shinya Inamura has been appointed as a Director of the Company with effect from April 01, 2015, to fill up the casual vacancy caused by the resignation of Mr. Yoshiyuki Matsumoto.

iv) In compliance with the provisions of Section 203 of the Companies Act, 2013, Ms. Sunita Ganjoo (Membership No. A33198) was appointed as the Company Secretary of the Company with effect from November 03, 2014.

Brief resume of Directors appointed on the Board, nature of their expertise in specific functional areas and the name of the Companies in which they hold the Directorship and the Chairmanship/Membership of the Committees of the Board, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in the Notice convening the Annual General Meeting.

Necessary resolutions for the appointment / re-appointment and remuneration of the aforesaid Directors have been included in the Notice convening the Annual General Meeting.

As per the confirmations received, none of the Directors of the Company are disqualified for being appointed as Director as specified in Section 164(2) (a) and (b) of the Companies Act, 2013. There is no relationship between the Directors inter-se.

v) Payment of remuneration

- The remuneration to be paid to Mr. Yoshifumi Iida as President & CEO of the Company has been approved by the Board of Directors on March 30, 2015 subsequent to the recommendation of the Nomination and Remuneration Committee on March 30, 2015. Your Board recommends the remuneration of Mr. Yoshifumi Iida for your approval.
- The revised remuneration of Mr. Vinay Mittal from 01.04.2015 to 31.03.2016 (both days inclusive) has been approved by the Board of Directors on March 30, 2015, subsequent to the recommendation of the Nomination and Remuneration Committee at its Meeting held on March 30, 2015. Your Board recommends the approval of revised remuneration of Mr. Vinay Mittal. Proposal for the same is being put up for your approval.

17. Evaluation of the Board's Performance

In compliance with the Companies Act, 2013, and Clause 49 of the Listing Agreement, during the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation to evaluate the performance of individual directors including the Board Chairman.

The evaluation of Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

18. 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 made by the Auditors in their respective reports.

19. Deposits

The Company does not have any deposits and has neither accepted any deposits during the year under review.

20. Buy Back of Securities

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

21. Sweat Equity

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

22. Bonus Shares

No bonus shares were issued during the year under review.

23. Employees Stock Option Scheme

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

24. 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.

25. Corporate Governance

A separate section on Corporate Governance is annexed to this report as **Annexure- F**.

A certificate from a Practicing Company Secretary on compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement with Stock Exchanges is annexed as **Annexure-I**.

26. Sexual harassment of women at workplace

Your Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices.

A policy on Prevention of Sexual Harassment at Workplace was released during the last financial year. The policy aims at prevention of harassment of female employees and lays down the guidelines for identification, reporting and prevention of undesired behaviour. A seven member Committee was set up with women employees constituting majority.

During the year ended March 31, 2015, the Company did not receive any complaint pertaining to sexual harassment.

27. 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 with the environment in which the Company operates. The Code is available on the Company's Corporate 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.

28. Familiarization programmes for Board Members

The Board members are provided with necessary documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at the link <https://www.hondasielpower.com>.

29. 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 form 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 these statements. The Annexures 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.

30. Material changes and commitments affecting the financial position of the Company after 31st March 2015

There were no material changes and commitments affecting the financial position of the Company after 31st March 2015.

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 every employee of the Company.

On behalf of the Board,

New Delhi
May 18, 2015

Siddharth Shriram
Chairman

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

- This year overall generator business was impacted due to discontinuation of Kerosene run Gensets in the wake of introduction of revised **CPCB** (Central Pollution Control Board) norms for Noise and Emissions, effective 6th of August, 2014. Improved power scenario, particularly in Southern parts of the country further reduced the demand for portable Gensets.

Opportunities

- Your Company was the first company in India to roll out Emission Compliant genset range, in the category it operates and is making efforts to get the same listed for regular Government and Institutional business. Superior technology and advanced features like the Unique "Fuel Injection Technology" (FI) in the 7 Kva model will help our customers to achieve more savings on their fuel bills and boost the demand for generators.
- The Government of India may expand and integrate many social initiatives. Many of these are related to Information Technology, Computerization 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 on their businesses consistently and sustainably.

Concerns

- The new Emission Compliant Models introduced are exclusively petrol run. While your Company is promoting the fuel efficiency feature of these generators, fluctuating 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 our generators is expected to continue for various application based sales, uncertain weather conditions and the need for uninterrupted power. Besides, opportunities are opening up in the rural areas.

GENERAL PURPOSE ENGINES AND WATER PUMPING SETS

- The sales for Engines and Pumps improved due to favorable subsidy business in Andhra Pradesh and Odisha. Business in the Eastern and Southern states supported the water pump business, highlighting again the advantages of light weight and portable Honda Pumps.
- Your Company continued with its efforts to increase its network. This proximity to the users helped in reaching out to prospective customers.
- Business for Engine for Sprayer business was affected in J&K due to unprecedented floods.

Opportunities

- Farm mechanization led by increasing farm incomes, Government support and scarcity of labour is expected to increase demand for our engines and their application for agricultural use.
- The new and fuel efficient over head valve engine based petrol water pumps and engines of your Company are expected to increase demand in areas where kerosene availability is limited. Government Support schemes and subsidies will help us leverage our presence in these segments.

Concerns

- Unfavorable weather condition and resultant crop damage affecting rural incomes.
- Uncertain subsidy situation also impacts agricultural business.

Outlook

- Agriculture sector will continue to get support from Government on inputs. The demand of farm equipment with subsidy is therefore expected to grow.

The OEM (Original Equipment Manufacturer) market for agricultural and construction segments is also developing considering the competitive cost structure in India. Your Company is looking at increasing its presence in these segments by working with small manufacturers. Applications such as high tree and back pack sprayers are gaining popularity and your Company is working very closely with select good quality assemblers to grow volumes and counter the low cost imported products.

BRUSH CUTTERS

- Honda Brush cutters have been able to provide an affordable and efficient mechanized solution for farm activity like de-weeding and harvesting.
- Honda Brush cutters have been accepted by dairy segment as fodder cutting machine.
- Increased support from the Government in areas such as plantations and horticulture are providing the impetus to grow this business.
- The Southern markets continue to be the major areas contributing to sales.
- Your Company strengthened its after sales support activity which is expected to consolidate and reinforce its leadership position.

TILLERS

- The category is showing promising growth and acceptability across the country.
- New attachments for multiple applications suited to the customer's requirement were launched. The demand for tillers for initial land preparation and de-weeding is steadily growing amongst progressive farmers.

MARINE SEGMENT

- To leverage the growth in tourism and development of inland water ways, your Company is promoting LTOBE's (Long Tail Out Board Engines) to cater to the Marine Segment. The prospects in this segment are encouraging and there is a potential for rapid growth.

EXPORTS

- Generator business increased over last year mainly due to launch of **EU70is** in European and Japanese markets. It has contributed significantly in export sales value. However, 1KVA generator sales were affected due to competition from low priced Chinese generators particularly in Middle East and Africa.
- The Middle East region continued to generate maximum business for the Company.

Concerns

- Appreciation of Indian Rupee against US dollar may impact the margins on Export Business.
- The competitive market scenario limits the scope for price increments.

Outlook

- Business environment is expected to be challenging.

THREATS, RISKS AND CONCERNS

The Company has proper and exhaustive risk management systems in place. This is assured by:

1. Strictly meeting all the legal compliances as required by laws of the land wherever Company operates and does its business. This is assured by way of regular and timely updation of the changing requirements, proper reporting at regular intervals. This is further reconfirmed by status reports as prepared by all divisions of the organization for onward submission of consolidated status of compliance to the Board of Directors each quarter. Further, the Internal Auditors of the Company have been entrusted with the job of regular supervision of legal compliances as is being done by the Company and to suggest further need to strengthen the same, if required.
2. Timely, appropriate and correct recording of fixed assets of the Company in the books of accounts is ensured. The policy for physical verification has been framed and described in the Annual Report of the Company. It is also ensured that the policy is strictly adhered to and is being reported in the Annual Report of the Company. Adequate insurance coverage has been taken for all risks associated with assets and the operations of the Company.
3. IT Security Policy has been implemented by the Company with a view to avoid loss and mis-utilization of sensitive data of the Company.
4. Under the Risk Management System established by the Company, each division is given the responsibility to review and assess business risk on a regular basis and to detect, communicate, evaluate and respond to any probable or available risk in their particular business areas. The risk management officer is responsible for promoting risk management initiatives such as business continuity plan in the event of any risk.

INTERNAL CONTROLS AND SYSTEMS

The Company has in place an adequate, proper and effective internal control system which is in line with the size and complexity associated with the operations of the Company. The policies, procedures and proper communication systems have been put in place for effective and better management of the affairs of the Company. Your Company Management believes that to make the policies effective it is necessary that the policies are communicated in the best possible way till the lowest level of the organization. This is ensured by way of regular updation and awareness sessions being conducted to include cross section of employees in these sessions.

There are adequate and applied internal control systems and policies available in the organization which ensures the financial statements are prepared in conformity with applicable accounting principles and the internal Company practices and policies. The assets are adequately safe-guarded against any misuse or loss. Independency of the internal audit function is strictly ensured and is the guiding factor of your Company's Internal Control System. The adherence to the Internal Control Systems are ensured through an extensive internal audit program duly approved by the Audit Committee of the Company. This is subject to a periodic review by the Management and Audit Committee in its Meeting attended by Statutory and Internal Auditors of the Company.

To further ensure the adherence to the established corporate governance norms and policies by all employees of the Company, a Whistle Blower/Vigil Mechanism is operative in the Company. This ensures reporting by any Associate, Dealer or Vendor of the Company of any act being considered by them as not in line with the policy, rules or code of conduct of the Company or if not found to be in line with prudent commercial practice, to the appropriate levels as detailed in the policy document itself. A parallel line of communication has also been made available to the Directors and Associates of the Company for direct access to the Chairman of the Audit Committee.

FINANCIAL PERFORMANCE

During the year 2014-15 the net sale was Rs. 628.30 Cr as against

Rs. 538.48 Cr in the previous year. This represents an increase of 16.68% in terms of value over previous year.

Profit before Tax and Exceptional Items for the year was Rs. 55.47 Cr as against Rs. 38.15 Cr in 2013-14.

HUMAN RESOURCES

Leadership plays an important role in aligning the Business Objectives with each and every individual roles and responsibilities. In order to strengthen the leadership pipeline, a specific module was run for the leadership position throughout the year and also to build capability of the middle management layer and identify successors to take up next level roles and build a robust succession. Competency Assessment was conducted which threw light on their development areas. In addition to this there were other programs focused on the handling of strategically important business issues, quality management, channel management, etc. On the job learning as well as variety of programs designed to enhance individual abilities and develop specified skills that are tailored to local needs were also imparted. These program nurture management skills and support associate career building efforts.

In the Financial Year 2014-15 your Company also carried out an engagement survey in order to understand the affective commitment level, willingness to go beyond the formal job requirements, use of one's skills and abilities, how challenging or interesting work environment is, and are there any barriers to get the job done for our Associates. The survey result was encouraging and showed an overall improvement in the percentage index from previous survey. However, the analysis also threw lot of information which will be used in carrying out further required improvement for enhancing the Engagement and Enablement level of our Associates.

Policies and Procedures are the strategic link between the Company vision, and its day-to-day operations. Your Company play an essential role in developing, reviewing and administering Company-wide policy in the area of people development and employment practices. Policies like Group Term Linked Insurance Plan, Employee Recognition Policy, Anti-Bribery Policy were released during the Year.

To create a respectful work environment for all Associates, irrespective of their gender and provide protection against sexual harassment of female associates at workplace, the Company established Sexual Harassment Policy in line with the prescribed Act. It provides mechanism for the prevention and redressal of complaints of sexual harassment or incidence connected therewith; and ensure right to work with dignity. The sense of security at the workplace will improve female Associates' participation in work. Awareness session were conducted and communication done through posters, notices and through Employee Portal.

As a social responsibility the Company conducted a blood donation camp in which more than 80 Associates willingly participated as donors and welcomed such initiatives. Also the Company donated in the Prime Ministers Relief Fund for the J&K flood victims.

On 8th November 2014, the Company had Family Day Celebration to enable its Associates to take a break from their working schedule and to spend some quality time with their family and friends. Various other employee engagement initiatives such as sports activities, long service awards, foundation day, etc. were held during the year. Employees showed lot of enthusiasm and team spirit and appreciated such initiatives.

The Company as on March 31, 2015 had 1109 Associates.

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 or impact on conservation of energy	<p>Following energy conservation measures were taken to reduce the energy consumption by:</p> <ul style="list-style-type: none"> - Installation of Time Switch in Assembly Shop to reduce the energy consumption of exhaust fans, resulting in reduction in their energy consumption by 37%. - Saving in energy consumption by replacing 21 nos. of 175Watt Mercury Vapor Lamps by 85Watt LED High Bay Lights. The saving in their energy consumption is up to 51%. - Saving in energy consumption by replacing 50 nos. of 36Watt T-5 tube lights by 20Watt LED tube lights. The saving in their energy consumption is up to 44%. <p>This resulted in the reduction in energy consumption. The reduction of 8% is achieved in thermal energy of fuel consumed in burners per unit production in 2014-2015 as compared to 2013-2014 due to optimum machine utilization. 4.9% reduction in electric energy consumption per unit production is achieved in the year 2014-2015 as compared to the year 2013-2014. As in year 2014-2015 the Pudukcherry unit was closed so accordingly the impact of electric consumption per unit production of Pudukcherry is 1.3% in 2013-2014. The focus is continuing and is expected to be reduced in the year 2015-2016 by about 2 % over the year 2014-2015.</p>
(ii)	the steps taken by the company for utilizing alternate sources of energy	<p>Following steps were taken for utilizing alternate source of energy:</p> <ul style="list-style-type: none"> - Use of wind ventilators for natural air ventilation of new FG store building.
(iii)	the capital investment on energy conservation equipments	<p>Following capital investments were made for energy conservation equipments :</p> <ul style="list-style-type: none"> - Rs 3.16 Lac : Replacement of 22 nos. of 175Watt Mercury Vapor Lamps by 85Watt LED High Bay lights. - Rs 0.75 Lac : Replacement of 55 nos. of 36Watt T-5 tube lights by 16Watt LED tube lights. - Rs 1.32 Lac : Use of 20 Nos. wind ventilators for natural air ventilation of new CBU store building - Rs 0.05Lac : Installation of 3 Nos. Time Switch in Assembly shop to reduce the energy consumption of exhaust fans.

(b) Technology Absorption

(i)	The effort made towards technology absorption	<p>The Company has availed the services of technical specialists from the foreign collaboration who impart on the job training and guidance to the Company's Engineers and Technicians.</p> <p>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:</p> <ul style="list-style-type: none"> - Expansion of Alternator Shop for production of Alternator for Invertors Type Genset models. - Injection Moulding facility introduced. - Installation of Robotic welding machine in Weld Shop. - Installation of new leakage & performance testing, Sealant application machine in Assembly Shop. - Expansion of Factory for Warehouse to support domestic and export sales. - New Models developed for domestic market with high fuel efficiency and to meet Noise Regulations and new Air Emission Regulations -2014. - Expansion of export sales by meeting out country specific regulation for advance nations (Japan, Australia, Europe and others).
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	<p>The benefits derived related to:</p> <ul style="list-style-type: none"> - Availability of super silent Genset : <ul style="list-style-type: none"> - Meeting the Noise and New Indian Air Emission Regulation. - Gasoline based high fuel efficiency. - Management for Hazardous Substance. - Cost reduction through indigenization. - Import of agriculture equipment like Backpack Sprayer and Tiller for domestic market.

(iii)	<p>In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)</p> <p>(a) The details of technology imported</p> <p>(b) The year of Import</p> <p>(c) Whether the technology has been fully absorbed</p> <p>(d) If not fully absorbed, area where absorption has not taken place and the reasons thereof</p>	<p>Following information is furnished in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):</p> <p>- Manufacturing of Portable Inverter Genset, OHV General Purpose Engines and Water Pump Sets. - Import of agriculture products such as Tiller , Backpack Sprayer etc.</p> <p>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, 2017.</p> <p>No, this is in the process of being absorbed gradually.</p> <p>Technology is further to be absorbed for localization of high technology engine components and in producing the country specific products / models.</p> <ul style="list-style-type: none"> - Application of OHV engine for agricultural market expansion with mechanization by introducing locally developed new products such as Tiller, Backpack Sprayer and Pump Set. - Quality management system enhancement and application of Global Honda Quality Standard. - Identification of potential export market.
(iv)	The expenditure incurred on Research and Development	Rs. 144 Million

(c) Foreign Exchange Earnings and Outgo

During the year, the total foreign exchange used was Rs. 20,529.61 lakh and the total foreign exchange earned was Rs. 26,034.13 lakh.

Annexure - C to Board's Report
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i) CIN : L40103DL2004PLC03950
- 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, DLF Tower B, Jasola Commercial Complex, New Delhi – 110025, Tel. +91 120-2590211
- vi) Whether listed company : Yes
- vii) Name, address and contact details of Registrar & Transfer Agents (RTA), if any : M/s 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

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the Company
1	Genset	8502 20	66
2	Engine	8407 90	11
3	Water Pumps	8407 90	17

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S.N.	Name and Address of The Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
1	N.A.	N.A.	N.A.	N.A.	N.A.
2	N.A.	N.A.	N.A.	N.A.	N.A.

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 Corporate	101433	0	101433	1.00	101433	0	101433	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):-	101433	0	101433	1.00	101433	0	101433	1.00	0.00
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	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) Other – Individuals	0	0	0	0	0	0	0	0	0.00
(c) Bodies Corporate	6762000	0	6762000	66.67	6762000	0	6762000	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):- Total shareholding of	6762000	0	6762000	66.67	6762000	0	6762000	66.67	0.00
Promoter (A) =(A)(1)+(A)(2)	6863433	0	6863433	67.67	6863433	0	6863433	67.67	0.00
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	0	20	20	0.00	99527	20	99547	0.98	0.98
(b) Banks / FI	1740	300	2040	0.02	3971	300	4271	0.04	0.02
(c) Central Govt	0	0	0	0.00	0	0	0	0	0.00
(d) State Govt(s)	0	0	0	0.00	0	0	0	0	0.00
(e) Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
(f) Insurance Companies	0	0	0	0.00	0	0	0	0	0.00
(g) FIs	175000	0	175000	1.73	175000	0	175000	1.73	0.00
(h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0	0.00
(i) Others (specify)	0	0	0	0.00	0	0	0	0	0.00
Sub-total (B)(1):-	176740	320	177060	1.75	278498	320	278818	2.75	1.00
2. Non-Institutions									
(a) Bodies Corporate									
(i) Indian	579251	1243	580494	5.72	491980	1143	493123	4.86	-0.86
(ii) Overseas	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
(b) Individuals	1564825	215368	1780193	17.55	1619818	205372	1825190	17.99	0.44
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	555239	0	555239	5.47	479506	0	479506	4.73	-0.74
(c) Others (specify) Clearing Member	60486	0	60486	0.60	47476	0	47476	0.47	-0.13
NRI	101303	24502	125805	1.24	129368	23502	152870	1.51	0.27
Trust	361	0	361	0.00	2655	0	2655	0.03	0.03
Sub-total (B)(2):- Total Public Shareholding	2861465	241113	3102578	30.59	2770803	230017	3000820	29.58	-1.01
(B)=(B)(1)+(B)(2)	3038205	241433	3279638	32.33	3049301	230337	3279638	32.33	0.00
C. Shares held by Custodian for GDRs & ADRs	NOT APPLICABLE								
Grand Total (A+B+C)	9901638	241433	10143071	100.00	9912734	230337	10143071	100.00	0.00

(ii) Shareholding of Promoters

SI 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 Shares Pledged / encumbered to total shares	
1.	Honda Motor Co., Ltd., Japan	6762000	66.67	NIL	6762000	66.67	NIL	NIL
2.	Usha International Limited	101433	1	NIL	101433	1	NIL	NIL

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SI No.		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
	At the beginning of the year	No Change			
	Date wise Increase / Decrease in Promoters Share holding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

	Name of Shareholder	Shareholding at the beginning of the year		Change in shareholding (No. of Shares)		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	Increase	Decrease	No. of Shares	% of total shares of the Company
1.	Alchemy India Long Term Fund Limited	175000	2.00	0	0	175000	1.73
2.	Shree Capital Services Limited	195836	1.93	0	68533	127303	1.26
3.	Param Capital Research Private Limited	0	0	126869	0	126869	1.25
4.	Jaya Harshad Bhatt	63000	0.62	38700	0	101700	1.00
5.	Prasoon Harshad Bhatt	99000	0.98	2700	0	101700	1.00
6.	L and T Mutual Fund Trustee Ltd	0	0	99527	0	99527	0.98
7.	Neepa Shah	42500	0.42	0	0	42500	0.42
8.	Pooja Vijay Assomull	0	0	35500	0	35500	0.35
9.	Laxmichand Kunverji Kenia	36802	0.36	0	6802	30000	0.30
10.	Lashit Lalubhai Sanghvi	30000	0.30	0	0	30000	0.30
	TOTAL	642138	6.33	303296	75335	870099	8.58

(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 Share holding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	Negligible	0	Negligible
		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 Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	0	Negligible	0	Negligible
		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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to President & CEO and Whole Time Directors :

(Amount in Rs.)

SI No.	Particulars of Remuneration	Name			Total Amount
		Takashi Hamasaki	Hiroyoshi Sugimizu	Vinay Mittal	
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961 (c) Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	82,57,742 21,10,112 0	68,15,000 19,09,706 0	56,99,486 6,24,647 0	2,07,72,228 46,44,465 0
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	. Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify: (Exempted Benefits)	4,55,947	2,48,637	6,21,091	13,25,675
	Total (A)	1,08,23,801	89,73,343	69,45,224	2,67,42,368
	Ceiling as per the Act	In terms of the provisions of the Companies Act, 2013, the remuneration payable to President & CEO & Whole Time Directors shall not exceed 10% of the net profits of the Company. The remuneration paid is well within the said limit.			

B. Remuneration to other directors:

Particulars of Remuneration	Name of Director						Total Amount (Rs.)	Particulars of Remuneration paid to other Non-Executive Directors (2)
Independent Directors (1)	D.V. Kapur	O.P. Khaitan	Ravi Vira Gupta	Manoj Arora	Alka M. Bharucha	R.P. Mehrotra		Siddharth Shriram
• Fee for attending :								
Board Meeting	2,00,000	2,00,000	1,60,000	1,60,000	1,20,000	80,000	9,20,000	2,00,000
Audit Committee	1,60,000	1,60,000	1,20,000	-	-	-	4,40,000	-
Stakeholders Relationship Committee	1,20,000	-	-	-	-	-	1,20,000	1,20,000
Nomination and Remuneration Committee	80,000	80,000	-	-	-	-	1,60,000	80,000
Board Committee on Financial Matters	-	-	-	-	-	-	-	80,000
CSR Committee	-	-	-	80,000	-	-	80,000	80,000
Independent Director's Meeting	40,000	40,000	40,000	40,000	40,000	-	2,00,000	-
Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total (1)	6,00,000	4,80,000	3,20,000	2,80,000	1,60,000	80,000	19,20,000	-
Total (2)								5,60,000
Total (B)=(1+2)								24,80,000
Total Managerial Remuneration								2,92,22,368*
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 limit.							

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

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

SI No.	Particulars of Remuneration	Key Managerial Personnel		
		Sunita Ganjoo (3 rd November 2014 to 31 st March 2015)	Rahul Kumar (1 st April 2014 to 25 th September 2014)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	259774	404434	664208
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	15776	107872	123648
	(c) Profits in lieu of salary under section 17(3) of the Income-tax Act, 1961	0	0	0
2	Stock Option	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL
4	Commission - as % of profit - others, specify...	NIL	NIL	NIL
5	Others, please specify: Exempted Benefits	29720	57896	87616
	Total	305270	570202	875472

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT /COURT]	Appeal made, if any (give details)
A.COMPANY	NIL				
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

Annexure - D to Board's Report

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2015
[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 of
Honda Siel Power Products Limited

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, 2015 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, 2015 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (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) Some of the other laws 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; and
 - (d) The Electricity Act, 2003 and Rules made thereunder

We have also examined compliance with the Listing Agreements entered into by the Company with the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). However, the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) were not applicable on the company for the period under review.

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

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

We further report that adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent adequately 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 including Labour Laws and Environmental Laws and Rules, Regulations and Guidelines framed thereunder.

We further report that during the 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 Tanuj Vohra & Associates
Company Secretaries

Tanuj Vohra
M. No.: F5621, C.P. No.: 5253
Delhi, 13 May 2015

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 programs	<p>The Company's has formulated a Corporate Social Responsibility Policy (CSR) with the following vision and objectives :</p> <p>1. Vision: To be an active contributor in raising the country's human development index and fulfill the role of a Socially Responsible Corporate, with environment concerns.</p> <p>2. Objective:</p> <p>2.1. To align and integrate the Honda –CSR activities with the Honda philosophy and make them outcome oriented.</p> <p>2.2. To sustain and continuously improve the quality of life and economic well being of the local populace.</p> <p>2.3. To create a brand image of Honda which society will want to exist as a socially responsible image.</p> <p>CSR activities proposed to be undertaken by the Company shall be in pursuance to Section 135 read with Schedule VII of the Companies Act, 2013.</p> <p>The policy is also posted on the Company's website at the weblink: https://www.hondasielpower.com.</p>															
2	The Composition of the CSR Committee	<table> <tr> <th>Name</th><th>Category/Director</th><th></th></tr> <tr> <td>Mr. Siddharth Shriram</td><td>Non-Executive/ Non-Independent</td><td>Chairman</td></tr> <tr> <td>Mr. Yoshifumi. Iida</td><td>Executive</td><td>Member</td></tr> <tr> <td>Mr. Vinay Mittal</td><td>Executive</td><td>Member</td></tr> <tr> <td>Mr. Manoj Arora</td><td>Independent</td><td>Member</td></tr> </table>	Name	Category/Director		Mr. Siddharth Shriram	Non-Executive/ Non-Independent	Chairman	Mr. Yoshifumi. Iida	Executive	Member	Mr. Vinay Mittal	Executive	Member	Mr. Manoj Arora	Independent	Member
Name	Category/Director																
Mr. Siddharth Shriram	Non-Executive/ Non-Independent	Chairman															
Mr. Yoshifumi. Iida	Executive	Member															
Mr. Vinay Mittal	Executive	Member															
Mr. Manoj Arora	Independent	Member															
3	Average net profit of the Company for last three years (Amount in Rs. Lakh)	Rs. 4138.00 lakh															
4	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) (amount in Rs. Lakh)	Rs. 83 Lakh															
5	Details of CSR spent during the year																
	1) Amount to be spent for the year	Rs. 83 Lakh															
	2) Amount Unspent, if any	NIL															
	3) Manner in which the amount spent during the financial year	Contribution to Prime Minister's National Relief Fund															

The CSR Committee confirms 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

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 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 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 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 and ethical responsibilities. The Company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on the principles of good Corporate Governance.

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

The Company has set to itself the objective of expanding its capacities and becoming globally competitive in its business. The Company is committed to meeting 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 report on Corporate Governance.

2. Board of Directors

The Board of Directors is at the core of Corporate Governance practices. Your Company believes that an active, independent and participative Board is a pre-requisite to achieve and maintain the desired level of Corporate Governance.

The Board of your Company is broad-based, consisting of ten Members. The Board has an ideal composition. It consists of three Executive Directors and Seven Non-Executive Directors, including a woman Director. Five 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, which in the judgement of the Board may affect the independence of judgement of the Director. The Board Members possess the skills, experience and expertise necessary to guide the Company. None of the Independent Directors of the Company serve as an Independent Director in more than seven listed Companies.

The Company has a familiarization program for Independent Directors with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, the business models of the Company etc. and the same is available on the website of the Company (web link <http://www.hondasielpower.com>).

Brief particulars of the Directors who are being appointed/ re-appointed at the ensuing Annual General Meeting ('AGM'), nature of their expertise in specific functional areas and names of Companies in which they hold Directorship and Membership/Chairmanship of Board Committees are provided in the Notice convening AGM.

Code of Conduct

The Company has adopted the Code of Conduct for Board Members and Senior Management of the Company. The updated Code incorporates duties of Independent Directors. The Code is available on the website of the Company (web link <http://www.hondasielpower.com>).

Board Meetings

During the year under review, five Board Meetings were held on May 30, 2014, August 05, 2014, November 03, 2014, February 12, 2015 and March 30, 2015. Resolutions by Circulation were passed on April 01, 2014, June 02, 2014, August 30, 2014, September 12, 2014, September 18, 2014 and September 26, 2014. 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:

Name of the Director	Category	Attendance at the last AGM	No. of Board Meeting(s) attended	No of Directorship in other Companies	Number of Committee Membership including (Chairmanship)
Mr. Siddharth Shriram	Non ID /NED	Yes	5	1	2(1)
Mr. T. Hamasaki***	Non ID/ED	Yes	5	NIL	2
Mr. H. Sugimizu	Non ID/ ED	Yes	5	NIL	NIL
Dr. D. V. Kapur	ID/NED	Yes	5	2	4(3)
Mr. O. P. Khaitan	ID/NED	Yes	5	7	10(4)
Mr. R. V. Gupta	ID/NED	Yes	4	5	6(2)
Mr. Vinay Mittal	Non ID/ ED	Yes	5	NIL	1
Mr. Y. Matsumoto	Non ID/ NED	NO	1#	1	NIL
Mr. R. P. Mehrotra*	ID/NED	YES	2	NIL	NIL
Mr. Manoj Arora	ID/NED	NO	4	2	NIL
Ms. Alka Bharucha **	ID/NED	NA	3#	3	1

ID- Independent Director

ED- Executive Director

NED- Non- Executive Director

Note:

- a) *Ceased to be Director w.e.f. 01.09.2014
- b) ** Appointed as Director w.e.f. 15.09.2014
- c) *** Ceased to be Director w.e.f. 31.03.2015
- d) # Participation through video conference in the Board meeting held on 12-02-2015 included in the meetings attended
- e) Directorships held by Directors as mentioned above, do not include Alternate Directorship and Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.
- f) In accordance with clause 49 of the Listing Agreement, Membership / Chairmanship of only the Audit Committee and Stakeholders Relationship Committee of Public Limited Companies have been considered.
- g) None of the Directors is a member of more than 10 Board-level committees of public companies in which they are Directors, nor is Chairman of more than 5 such committees.

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

The Company does not pay any remuneration to its Non-Executive/ Independent Directors except Rs. 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.

Selection of Independent Directors

Considering the qualification set up by the Board and the requirements stipulated by the Act and Clause 49 of the Listing Agreement; eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered and recommended by the Nomination and Remuneration Committee for appointment as Independent Directors on the Board. Accordingly the appointment of Independent Directors is made by the Board.

Every Independent Director, at the first meeting of the Board in which he/she participates as a Director and thereafter at first meeting of the Board in every financial year, gives a declaration that he/she meets the criteria of independence as provided under the Act and the Listing Agreement.

Meeting of Independent Directors

The Company's Independent Directors meet at least once in every financial year without the presence of Executive Directors and Management Personnel. Accordingly, meeting of Independent Directors was held on March 30, 2015. All the Independent Directors were present in the meeting.

3. Committees of the Board

The Board has constituted six Committees of Directors, namely:

- Audit Committee ;
- Corporate Social Responsibility Committee;
- Nomination and Remuneration Committee;
- Stakeholders Relationship 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 the subsequent Meeting. 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

Majority of the Members of Audit Committee comprise of Independent Directors. Chairman of the Committee is an Independent Director. All the Members of the Committee possess financial/ accounting expertise/ exposure. The powers and role of the Company's Audit Committee as stipulated by the Board are in accordance with the items listed in Clause 49 of the Listing Agreement and as per Section 177 of the Companies Act, 2013. The Committee is also responsible for reviewing the adequacy of internal control system and for ensuring compliance thereof and accordingly the requisite follow up actions are taken.

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

as the Secretary to the Committee. During the financial year 2014-15, Audit Committee met four times on May 30, 2014, August 05, 2014, November 03, 2014 and February 12, 2015. Resolution by Circulation was passed on September 26, 2014. All the recommendations made by the Audit Committee were accepted by the Board. Constitution of the Committee and attendance of the members at the meetings are as under:

Name of the Member	Status	Number of Meetings attended
Dr. D.V. Kapur	Chairman	4
Mr. O.P. Khaitan	Member	4
Mr. R.V. Gupta	Member	3
Mr. T. Hamasaki*	Member	4

* Ceased to be Member w.e.f. 31.03.2015.

ii. Corporate Social Responsibility Committee

The Company has constituted a Corporate Social Responsibility Committee. This 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 Companies Act, 2013; recommendation of the amount of expenditure to be incurred; and monitoring the CSR Policy of the Company.

During the financial year Corporate Social Responsibility Committee met two times on May 30, 2014 and February 12, 2015. Resolution by Circulation was passed on September 18, 2014.

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

Name of the Member	Status	No. of meetings attended
Mr. Siddharth Shriram	Chairman	2
Mr. T. Hamsaki*	Member	2
Mr. Vinay Mittal	Member	2
Mr. Manoj Arora	Member	2

* Ceased to be Member w.e.f. 31.03.2015.

iii. Nomination and Remuneration Committee

In compliance with requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors vide Resolution by Circulation dated April 01, 2014 renamed the 'Remuneration Committee' as the 'Nomination and Remuneration Committee' effective April 01, 2014. The Constitution, terms of reference, role and scope of Committee are in line with those prescribed by the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Committee comprises of three Non-Executive Directors, out of which two are Independent.

The Company Secretary acts as the Secretary to the Committee.

Performance Evaluation

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

Policy on Board Diversity

The Nomination and Remuneration Committee devises the policy on Board diversity to provide for having a broad experience and diversity on the Board.

The details of the meetings held during the financial year 2014-15 are as under:

- May 30, 2014
- March 30, 2015

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

Name of the Member	Status	No. of Meetings attended
Dr. D.V. Kapur	Chairman	2
Mr. Siddharth Shriram	Member	2
Mr. O.P. Khaitan	Member	2

Resolutions by Circulation were passed by the Committee on:

1. September 12, 2014
2. October 20, 2014

Remuneration Policy

In compliance with clause 49 of the Listing Agreement, a policy on determining qualifications, positive attributes and independence of a Director and also a policy relating to the remuneration to be paid to the Directors and KMPs have been formulated by the Nomination and Remuneration Committee.

The remuneration is fixed as per the criteria laid down in the Remuneration Policy of the Company and also after considering various factors such as qualification, experience, expertise of the appointee and the prevailing remuneration in the similar industry for similarly placed persons, financial position of the Company etc. The remuneration structure of the Whole Time Directors and KMPs comprises of Basic Salary, Perquisites, Allowances and Variable Pay, contribution to Provident Fund and other funds in accordance with the provisions of the relevant laws and the Companies Act, 2013.

The remuneration payable to Whole Time Directors is recommended by the Nomination and Remuneration Committee to the Board of Directors for its approval thereon.

Details of remuneration paid to Directors for the year 2014-15

A. Executive Directors

The details of the remuneration paid to the Whole Time Director(s) during the year 2014-15 are as under:

Name	Salary	Benefits	Bonus	Stock Options	Fixed Componets	Variable Pay	Service Contract
	Amount in Rs.				Amount in Rs.		
Mr. T. Hamasaki*	8,97,581	24,58,349	0	0	74,67,871	0	01.04.2010 to 31.03.2015
Mr. H. Sugimizu	8,87,500	20,51,843	0	0	60,34,000	0	01.04.2014 to 23.03.2019
Mr. Vinay Mittal	24,09,456	7,54,204	0	0	36,98,299	83,265	01.04.2012 to 31.03.2017

* Ceased to be the Director w.e.f 31-03-2015.

B. Non-Executive Directors

Details of sitting fees paid during the year 2014-15 for attending the Meetings of Board of Directors and of its Committees were as under:

(Amount in Rs.)

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

- Mr. Y. Matsumoto, Director nominated by Honda Motor Co., Ltd., Japan submitted a letter of waiver for sitting fee of the Board and Committee thereof.

Equity shares of the Company held by the Non-Executive Directors

Mr. Siddharth Shriram, Chairman and Non-Executive Director hold 50 equity shares of the Company in his name. No other Non-Executive Director holds any equity shares of the Company.

iv. Stakeholders Relationship Committee

The Board of Directors through Resolution by Circulation dated April 01, 2014 changed the name of the 'Shareholders/Investors Relations Committee' to 'Stakeholders Relationship Committee'. Powers, as required under the Act and Listing Agreement have been delegated to this Committee. The Committee is primarily responsible to review all matters concerned with the Company's transfer of Securities and redressal of shareholders' complaints. The power of approving 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-materialisation of shares, endorsement on Fully Paid share certificates have further been sub-delegated by the Committee to the Company Secretary of the Company.

Composition of the Stakeholders Relationship Committee and terms of reference meet with the requirements of the Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

During the year the Committee met on following dates :

1. May 30, 2014
2. November 03, 2014
3. February 12, 2015.

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

Name of the Member	Status	No. of meetings attended
Dr. D. V. Kapur	Chairman	3
Mr. Siddharth Shriram	Member	3
Mr. T. Hamasaki*	Member	3
Mr. Vinay Mittal	Member	3

* Ceased to be Member w.e.f. 31.03.2015.

Resolutions by Circulation were passed on:

1. September 03, 2014
2. October 07, 2014
3. November 04, 2014
4. December 16, 2014
5. January 05, 2015
6. February 23, 2015
7. March 16, 2015.

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 the Listing Agreement entered into with the Stock Exchanges.

Investor Grievance Redressal

As on March 31, 2015, your Company had 11383 investors. During the year under review, the status of complaints was as follows:

Particulars	Carried forward from the previous quarter	Received	Redressed	Not redressed to the satisfaction of shareholders	Number of pending complaints as on March 31, 2015
Non-receipt of shares sent for Transfer/ Transmission/ Duplicate/ Demat	-	1	1	-	0
Non – receipt/ Revalidation of Dividend Warrants	1	17	18	-	0
Others/Miscellaneous	-	-	-	-	0

iv. **Board Committee on Financial Matters**

The Board Committee on Financial Matters met two times during the year on April 01, 2014 and July 16, 2014. Attendance of the Members at the meetings was as follows:

Name of the Member	Status	No. of meetings attended
Mr. T. Hamasaki **	Chairman	2
Mr. Siddharth Shriram	Member	1
Mr. Vinay Mittal	Member	2
Mr. H. Sugimizu*	Member	NIL

* Appointed as Member w.e.f. 01.04.2014.

** Ceased to be Member w.e.f. 31.03.2015.

The Company Secretary acts as the Secretary to the Committee.

vi. **The Risk Management Committee**

To meet with the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board constituted the Risk Management Committee vide Resolution by Circulation dated September 26, 2014. The roles and responsibilities of the Risk Management Committee are as prescribed under Clause 49 of the Listing Agreement, as amended from time to time, and includes monitoring and review of risk management plan on a quarterly basis and reporting the same to the Board of Directors periodically.

Composition of the Committee was as under:

Name of the Member	Status
Mr. T. Hamasaki, President & CEO*	Chairman
Mr. Vinay Mittal, Whole Time Director & CFO	Member
Mr. Rajeev Sharma, Vice President-Works	Member

During the Financial year the Committee has not met.

* Ceased to be Chairman w.e.f. 31.03.2015.

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
2013-14	August 05, 2014	1115 hours	Kamani Auditorium No. 1, Copernicus Marg, New Delhi - 110 001	No special resolution was passed.
2012-13	August 05, 2013	1030 hours		
2011-12	August 31, 2012	1030 hours		

No resolution was passed through Postal Ballot during the year 2011-12, 2012-13 and 2013-14. The Company as on the date of this report is not envisaging to pass any resolution through Postal Ballot.

5. **Subsidiary Companies**

The Company does not have any subsidiary Company.

6. **Disclosures**

- Related parties and transactions with them as required under Accounting Standard 18 (AS –18 and Clause 49 of the Listing Agreement) are furnished under Note No. 34 of Notes to Financial Statement for the year ended March 31, 2015.
- The above transactions have no potential conflict with the interest of the Company.
- There has not been any non-compliance, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.
- The Company promotes ethical behavior in all its business activities and has a whistle blower/vigil mechanism, in the name of 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.
- The Company has complied with all mandatory requirements of the Clause 49 of the Listing Agreement.

The status of adoption of the non-mandatory requirements of Clause 49 of the Listing Agreement 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 Managing Director/CEO.

Reporting of Internal Auditor

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

7. Means of Communication

1. The Company has published the financial results for the year ended March 31, 2014, quarter ended June 30, 2014, quarter and six months ended September 30, 2014 and quarter and nine months ended December 31, 2014 in English and Hindi language newspapers.
2. The results of the Company are also displayed on the Company's website www.hondasielpower.com. The Company's website also displays the official news releases.
3. The Company made no presentations to the Analysts during the year.
4. Annual Report containing inter-alia, Audited Annual Accounts, Boards' 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.

8. General Shareholders' Information

i. 30th Annual General Meeting

Day, Date & Time	: Wednesday, August 12, 2015, 11.15 A.M.
Venue	: Kamani Auditorium, 1, Copernicus Marg, New Delhi-110001.
Financial Year	: Year ended March 31, 2015
Book Closure	: August 06, 2015 to August 12, 2015 (both days inclusive)
Dividend Payment Date	: September 08, 2015

ii. Tentative Financial Calendar 2015-16 (Subject to change)

The tentative dates for approval of Unaudited / Audited Financial Results for 2015 - 16, are as follows:

Quarter ending June 30, 2015	2 nd week of August, 2015
Quarter ending September 30, 2015	2 nd week of November, 2015
Quarter ending December 31, 2015	2 nd week of February, 2016
Quarter and year ending March 31, 2016	Last week of May 2016 (Audited)

iii. Dividend Details

Unclaimed dividends upto financial year 1994-95 have been transferred to the General Revenue Account of the Central Government and for the financial years 1995-96 to 2006-07 to Investor Education and Protection Fund constituted by the Central Government. Details of unclaimed dividend as on March 31, 2015 are given hereunder:

Period	Rate (%)	Date of declaration	Date of payment	Unclaimed dividend (Rs.)
2007-2008	40	10.09.2008	16.09.2008	3,11,692.95
2008-2009	40	07.09.2009	18.09.2009	3,82,580.00
2009-2010	40	19.08.2010	31.08.2010	3,77,200.00
2010-2011	75	10.08.2011	31.08.2011	6,63,398.00
2011-2012	90	31.08.2012	21.09.2012	6,88,887.00
2012-2013	40	05-08-2013	02.09.2013	4,20,432.00
2013-2014	40	05-08-2013	02.09.2014	3,78,116.00

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

Listing fees for the year 2015 – 2016 has since been paid to BSE and NSE.

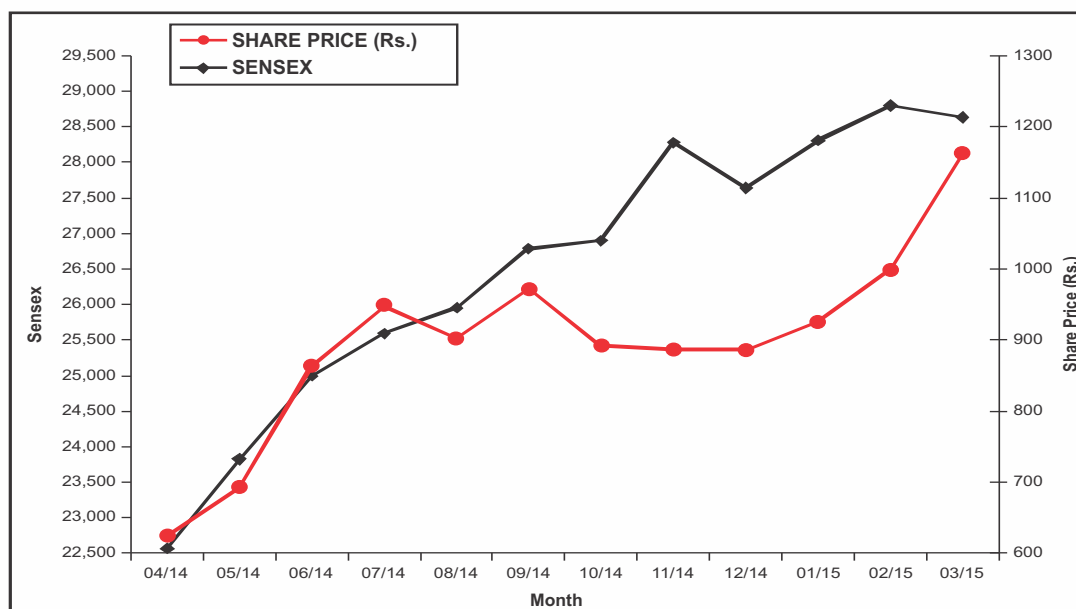
v. Stock Market Data

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

(Amount in Rs./ Share)

Month(s)	BSE			NSE		
	High	Low	Volume (Nos.)	High	Low	Volume (Nos.)
April 2014	688.75	559.00	91529	687.85	595.00	3,15,073
May 2014	804.2	582.00	134934	848.00	580.00	4,31,173
June 2014	1002.5	725.00	167854	1,007.00	723.50	4,70,211
July 2014	1044.9	850.00	105693	1,040.00	840.00	2,00,974
August 2014	1000	804.05	76844	999.00	805.05	2,04,873
September 2014	1053.4	891.05	98883	1,063.30	910.00	2,25,948
October 2014	979.00	805.00	47193	984.05	807.00	1,25,953
November 2014	949.00	825.00	58402	948.95	820.00	1,90,413
December 2014	952.80	820.00	32241	949.00	818.00	95,328
January 2015	1009.05	843.00	62314	1,007.95	835.00	1,53,239
February 2015	1143.25	855.05	129910	1,139.00	835.10	4,03,352
March 2015	1269.00	1058.00	138994	1,268.00	1,055.90	3,57,853

vi. 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 Agents (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. -201 306.
 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 dematerialisation 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 Clause 47(c) of the Listing Agreement 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, 2015

Number of shareholders	% to total	Shareholding of Nominal Value of Rs.	Number of Shares	Amount in Rs.	% to total
10672	93.75	1 TO 5000	949088	9490880	9.36
363	3.19	5001 TO 10000	278689	2786890	2.75
173	1.52	10001 TO 20000	261133	2611330	2.57
55	0.48	20001 TO 30000	140562	1405620	1.39
24	0.21	30001 TO 40000	86413	864130	0.85
21	0.18	40001 TO 50000	97371	973710	0.96
45	0.40	50001 TO 100000	323058	3230580	3.19
30	0.26	100001 AND ABOVE	8006757	80067570	78.94
11383	100	TOTAL	10143071	101430710	100

x. Pattern of shareholding as on March 31, 2015

Categories	No. of Shares	Shareholding (%)
Promoters	6863433	67.67
Bodies Corporate	493123	4.86
NRIs, FIIs, OCBs etc.	327870	3.23
Mutual Funds, Banks, FIs	103818	1.02
Individuals	2304696	22.72
Others (Clearing Members & Trust)	50131	0.49
Total	10143071	100

xi. Dematerialization of shares and liquidity

97.73% of total equity capital is held in dematerialised form with NSDL and CDSL as on March 31, 2015. During the year, (i.e. from 01-04-2014 to 31-03-2015) 239 share certificates involving 1147 shares were dematerialized by the shareholders representing 0.01% 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.

xiii. Plant locations

Plot No. 5, Sector 41 (Kasna),
 Greater Noida Industrial Development Area,
 Distt. Gautam Budh Nagar, U.P. -201 306.

xiv. Information pursuant to Clause 49 VIII (E) (1) of the Listing Agreement

Information pertaining to particulars of Directors to be appointed and re-appointed at the forthcoming Annual General Meeting is being included in the Notice convening the Annual General Meeting.

9. 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.

10. 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 the Company for the year ended March 31, 2015 is annexed as **Annexure -G**.

11. CEO/CFO Certification

In terms of Clause 49 of the Listing Agreement, 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**.

12. 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 Clause 49 of the Listing Agreement. 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 to the best of my knowledge and belief that the Company has complied with the provisions of Code of Conduct of the Company, for the year ended March 31, 2015, as stipulated under Clause 49 of the Listing Agreement.

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, Senior Management including functional Heads of the Company.

for **Honda SIEL Power Products Limited**,

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 ended March 31, 2015 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:
- (i) that there are no significant changes in internal control over financial reporting during the year;
 - (ii) that there are no significant changes in accounting policies during the year; and
 - (iii) that there are no instances of significant fraud of which we have become aware.

This certificate has been issued in compliance with the provisions of Clause 49 of the Listing Agreement.

For **Honda SIEL Power Products Limited**,

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

sd/-
T. Hamasaki
President & CEO

CERTIFICATE

To the Members of Honda Siel Power Products Limited,

I have examined the compliance of conditions of Corporate Governance by Honda Siel Power Products Limited for the year ended March 31, 2015 as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges.

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

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreements. I state that no investor grievance was pending for a period exceeding one month against the Company as per the records maintained by 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 11, 2015

sd/-
(T.V. NARAYNASWAMY)
COMPANY SECRETARY

Independent Auditors' Report

To the Members of **Honda Siel Power Products Limited**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Honda Siel Power Products Limited** ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, 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.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 31 March 2015 and its profit and its cash flows for the year ended on that date.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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 appears from our examination of those books;
 - c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act; and
 - f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30 to the financial statements;
 - ii. the Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For BSR & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022

Vikram Advani
Partner
Membership No.: 091765

Place: New Delhi
Date: 18 May 2015

Annexure to the Independent Auditor's Report

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a regular programme of physical verification of its fixed assets in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were physically verified by the Company during the current year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. No material discrepancies were noticed on such verification. For assets lying with third parties at the year end, written confirmation have been obtained.
- (ii) (a) The inventory, except materials-in-transit and stock lying with third parties, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. For stock lying with third parties as at year end, written confirmations have been obtained.
- (b) The procedures for the physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly adjusted in the books of account.
- (iii) According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, and having regard to the explanation that purchases of certain items of inventories and fixed assets are for the Company's specialised requirements and similarly certain goods sold and services rendered are for the specialised requirements of the buyers and suitable alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and with regard to the sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits covered under Section 73 to 76 of the Act.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 in respect of its products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Sales tax, Service tax, Value added tax, duty of excise, duty of customs, cess and other material statutory dues have been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Sales tax, Service tax, Value added tax, duty of customs, duty of excise, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Wealth tax, duties of Customs and cess which have not been deposited with the appropriate authorities on account of any dispute. Further, according to the information and explanations given to us, except as stated below, there are no dues of Income tax, Sales tax, Service tax, Value added tax and duty of excise which have not been deposited by the Company on account of disputes:

Name of the Statute	Forum where dispute is pending	Amount (Rs in lakhs) (#)	Financial year	Nature of dues
Income-tax Act , 1961	Commissioner of Income tax (Appeals)	36.89	1995-1996	Penalty.
	Commissioner of Income Tax (Appeals)	189.53	2003-2004	Various disallowances.
	Commissioner of Income Tax (Appeals)	30.90	2004-2005	Various disallowances.
	Income Tax Appellate Tribunal	91.52	2005-2006	Various disallowances.
	Income Tax Appellate Tribunal	798.32	2007-2008	Various disallowances.
	Income Tax Appellate Tribunal	498.38	2008-2009	Various disallowances.
	Income Tax Appellate Tribunal	528.74	2009-2010	Various disallowances.
Various Sales Tax Acts	High Court	2.66	1999-2000	Other disallowances.
	WBCT Appellate & revision board	21.12	2000-2001	Dispute on enhancement of sales and rejection of stock transfer.
	Sales Tax Tribunal	3.66	2000-2001	Dispute on enhancement of sales and rejection of stock transfer.
	Sales Tax Tribunal	1.31	2001-2002	Dispute on enhancement of sales and rejection of stock transfer.
	Additional Commissioner (Appeals)	0.52	2001-2002	Various disallowances.
	Deputy Commissioner (Appeals)	22.18	2001-2002	Dispute due to sales tax rates.
	Deputy Commissioner (Appeals)	0.15	2002-2003	Various disallowances.
	Deputy Commissioner (Appeals)	1.19	2003-2004	Non Submission of sales tax forms and rejection of stock transfer.
	Joint Commissioner (Appeals)	5.96	2004-2005	Various disallowances.
	Joint Commissioner (Appeals)	0.27	2005-2006	Various disallowances.
	Deputy Commissioner (Appeals)	3.19	2007-2008	Other disallowances.
	Sales Tax Tribunal	21.65	2007-2008	Dispute on sales tax rates.
	The Appellate Authority	1.60	2007-2008	Non Submission of sales tax forms.
	Deputy Commissioner (Appeals)	8.54	2008-2009	Various disallowances.
	Additional Commissioner (Appeals)	67.53	2009-2010	Various disallowances.
	Deputy Commissioner (Appeals)	22.83	2009-2010	Non Submission of sales tax forms and rejection of stock transfer.
	Joint Commissioner (Appeals)	0.23	2010-2011	Dispute on exempted sales.
Central Excise Act, 1944	Customs Excise Service Tax Appellate Tribunal	1,201.14	July 2000 to December 2002	Disputes on duty on stock transfer.
	Customs Excise Service Tax Appellate Tribunal	8.88	July 2000 to March 2003	Inclusion of expenses in assessable value.
	Supreme Court	20.61	July 2000 to November 2003	Inclusion of expenses in assessable value.
	Supreme Court	211.67	2002-2003	Disputes on differential duty.
	Customs Excise Service Tax Appellate Tribunal	2.12	December 2003 to March 2004	Other disallowances.
	High Court	181.36	May 2003 to Feb 2004	Dispute on duty rate.
	Supreme Court	14.61	2004-2005	Inclusion of expenses in assessable value.
	Customs Excise Service Tax Appellate Tribunal	27.69	2005-2006	Inclusion of expenses in assessable value.
	Deputy Commissioner (Appeals)	2.70	2006-2007	Inclusion of expenses in assessable value.
Service tax	Customs Excise Service Tax Appellate Tribunal	75.40	1999-2004	Service tax on royalty.
	High Court	6.65	December 2005 to August 2007	In-eligibility of CENVAT credit.

Amounts disclosed are net of total amount paid under protest of Rs. 1,511.25 lakhs which has been shown under "Long term loans and advances".

(c) According to the information and explanations given to us, the Company did not have any dues on account of investor education and protection fund.

- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not have any outstanding dues to its bankers or any financial institution or debenture holders during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For BSR & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W-100022
Vikram Advani
Partner
Membership No.: 091765

Place: New Delhi
Date: 18 May 2015

Balance Sheet as at 31 March 2015

	Note No.	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	1,014.31	1,014.31
Reserves and surplus	4	31,492.58	28,396.77
		32,506.89	29,411.08
Non-current liabilities			
Deferred tax liabilities (net)	5	265.78	287.34
Other long-term liabilities	6	193.67	182.72
Long-term provisions	7	408.84	272.08
		868.29	742.14
Current liabilities			
Trade payables	8	6,963.00	5,539.97
Other current liabilities	9	1,550.57	1,618.96
Short-term provisions	10	1,203.16	1,292.90
		9,716.73	8,451.83
		43,091.91	38,605.05
ASSETS			
Non-current assets			
Fixed assets			
Tangible fixed assets	11	11,751.28	10,927.84
Intangible fixed assets	12	547.21	450.23
Capital work in progress	11	43.03	137.94
Intangible fixed assets under development	12	6.70	6.70
Long-term loans and advances	13	4,299.01	4,052.80
Other non current assets	14	330.81	-
		16,978.04	15,575.51
Current assets			
Inventories	15	11,827.55	10,714.66
Trade receivables	16	3,838.32	3,975.53
Cash and bank balances	17	6,387.17	5,177.08
Short-term loans and advances	18	3,888.31	3,072.04
Other current assets	19	172.52	90.23
		26,113.87	23,029.54
		43,091.91	38,605.05
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached

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

Vikram Advani
Partner
Membership No. : 091765

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
O.P. Khaitan	Director
Ravi V. Gupta	Director
A.M. Bharucha	Director
Yoshifumi Iida	President & CEO
Vinay Mittal	Whole time Director & CFO

Place: New Delhi
Date : 18 May 2015

Statement of Profit and Loss for the year ended 31 March 2015

	Note No.	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Revenue			
Revenue from operations	20		
Sale of products (gross)		64,938.37	56,797.91
Other operating revenues		<u>1,029.22</u>	<u>1,058.11</u>
		65,967.59	57,856.02
Less: Excise duty		<u>2,894.82</u>	<u>3,721.29</u>
		63,072.77	54,134.73
Other income	21	<u>709.54</u>	456.59
Total revenue		<u>63,782.31</u>	<u>54,591.32</u>
Expenses			
Cost of materials consumed	22	34,714.38	29,535.80
Purchases of stock in trade	23	4,390.32	3,231.31
Changes in inventories of finished goods, stock in trade and work in progress	24	(1,103.02)	112.71
Employee benefits	25	5,833.71	5,114.71
Depreciation and amortization	26	2,131.23	1,753.55
Other expenses	27	<u>12,268.53</u>	<u>11,028.07</u>
Total expenses		<u>58,235.15</u>	<u>50,776.15</u>
Profit before exceptional items and tax		5,547.16	3,815.17
Exceptional items	28	<u>(346.51)</u>	922.37
Profit before tax		<u>5,893.67</u>	2,892.80
Tax expense			
Current tax		2,034.97	1,222.29
Tax related to prior year		-	(16.74)
Deferred tax		<u>(3.69)</u>	<u>(191.03)</u>
Profit for the year		<u>3,862.39</u>	<u>1,878.28</u>
Earnings per equity share (Rs.)	39		
Basic - Par value of Rs. 10 per share		38.08	18.52
Diluted - Par value of Rs. 10 per share		38.08	18.52
Significant accounting policies	2		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

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

Vikram Advani
Partner
Membership No. : 091765

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
O.P. Khaitan	Director
Ravi V. Gupta	Director
A.M. Bharucha	Director
Yoshifumi Iida	President & CEO
Vinay Mittal	Whole time Director & CFO

Place: New Delhi
Date : 18 May 2015

Cash Flow Statement for the year ended 31 March 2015

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit before tax	5,893.67	2,892.80
Adjustments:		
Depreciation and amortisation	2,131.23	1,753.55
Additional depreciation on discontinuing models dies	42.74	84.35
Interest income	(491.68)	(270.83)
Profit on sale of fixed assets	(19.63)	(8.15)
Unrealised foreign exchange differences	76.22	82.29
Liabilities/Provisions no longer required written back	(129.65)	(147.29)
Provision for discontinuing models inventory	(91.91)	350.01
Provision for onerous contracts	(297.34)	297.34
Provision for doubtful advances	189.92	19.67
Provision for slow moving inventory	121.82	64.64
Fixed assets written off	-	25.14
	7,425.39	5,143.52
Operating cash flow before working capital changes		
(Increase) in inventories	(1,142.80)	(583.16)
Decrease/(Increase) in trade receivables	101.31	(1,236.81)
(Increase) in short term loans and advances	(1,006.19)	(526.98)
(Increase) in long term loans and advances	(495.65)	(348.73)
Increase in trade payables	1,515.80	205.91
(Decrease)/ Increase in other current liabilities	(45.18)	172.67
Increase in short term provisions	181.69	34.93
Increase in other long term provisions	136.76	72.54
Increase in other long term liabilities	10.95	12.35
	(743.31)	(2,197.28)
Cash generated from operations	6,682.08	2,946.24
Income taxes paid	(2,391.88)	(1,353.45)
Net cash (used)/provided by operating activities	4,290.20	1,592.79
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (tangible, intangible fixed assets and capital work-in- progress)	(2,709.25)	(2,012.47)
Proceeds from sale of tangible fixed assets	34.04	15.97
Fixed deposits matured during the year	4,561.81	4,671.66
Amount invested in fixed deposits	(6,639.55)	(4,157.00)
Interest received	402.10	234.26
Net cash provided/(used) by investing activities	(4,350.85)	(1,247.58)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend on equity shares paid	(405.10)	(405.47)
Tax paid on dividends	(68.95)	(68.95)
Unpaid dividend (pertaining to earlier years) paid in current year	(0.43)	(0.25)
Net cash used by financing activities	(474.48)	(474.67)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(535.13)	(129.46)
Cash and cash equivalents at the beginning of the year	2,076.24	2,220.17
Effect of exchange differences on cash and cash equivalents held in foreign currency	(1.71)	(14.47)
Cash and cash equivalents at the end of the year	1,539.40	2,076.24
Notes to cash flow statement		
1. Components of cash and cash equivalents:		
Cash on hand	23.79	11.45
Cheques on hand	384.69	590.51
Balances with banks:		
- Current accounts	755.92	649.28
- Deposit accounts (with original maturity of three months or less)	375.00	825.00
Cash and cash equivalents	1,539.40	2,076.24

2. The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No.:101248W/W-100022

Vikram Advani

Partner

Membership No. : 091765

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

O.P. Khaitan

Director

Ravi V. Gupta

Director

A.M. Bharucha

Director

Yoshifumi Iida

President & CEO

Vinay Mittal

Whole time Director & CFO

Place: New Delhi

Date : 18 May 2015

Notes to the financial statements for the year ended 31 March 2015

1. Company overview

Honda Siel Power Products Ltd. is a public company domiciled and headquartered in India. It is incorporated under the Companies Act, 1956 and 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 financial statements for the year ended 31 March 2015 have been prepared as per the requirements of Schedule III of the Companies Act, 2013.

2. Significant accounting policies

i) Basis of preparation of financial statements

These financial statements have been prepared and presented on the accrual basis of accounting and comply with the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest lakhs.

ii) Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

iii) Current–non-current classification

All assets and liabilities are classified into current and non-current.

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.

iv) Fixed assets and depreciation

Tangible fixed assets

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset 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 expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Tangible fixed assets under construction are disclosed as capital work-in-progress.

Depreciation on Tangible Fixed Assets 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.

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 managements estimate of the useful life of tangible fixed assets. 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
Office equipment	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.

Notes to the financial statements for the year ended 31 March 2015

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

Losses arising from retirement or gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Intangible fixed assets***Acquired 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 amortization and any accumulated impairment loss.

Intangible assets are amortized in 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 amortized on straight line basis.

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

The amortization rates are as follows:

Technical knowhow – Model fee	20.00% per annum
Technical knowhow – Others	16.67% per annum
Computer software	33.33% per annum

Amortization 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 amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization 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

The fixed assets (tangible and intangible) 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 whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, if no impairment loss had been recognised.

vi) Inventories

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

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

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

Goods in transit are valued at purchase cost.

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

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

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

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

vii) Employee benefits***Short-term employee benefits***

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

Post employment benefits***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 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.

(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

Notes to the financial statements for the year ended 31 March 2015

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.

The Company recognises all actuarial gains and losses arising from defined benefit plans immediately in the Statement of Profit and Loss.

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.

Termination benefits

Termination benefits are recognised as an expense when, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

viii) Revenue recognition

Revenue from sale of goods in the course of ordinary activities is recognized when property in the goods or all significant risks and rewards of their ownership are transferred to the customer which generally coincides with despatch against orders from customers in accordance with the contract terms and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

In view of the nature of services rendered, 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 amount recognised as revenue is exclusive of sales tax, value added taxes (VAT) and service tax, and is net of returns, trade discounts and quantity discounts.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

Export benefit representing customs duty rebate entitlement against exports made on advance licences under duty exemption scheme and duty credit entitlement for exports made to focus markets under the focus market scheme of Government of India is accounted for on an accrual basis.

ix) Foreign exchange transactions

Transactions in foreign currency are recorded at the exchange rate 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.

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

x) Provisions

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

Warranties and Service Coupon costs

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

xi) 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.

xii) Income Taxes

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income-tax expense is recognised in Statement of Profit and Loss except that tax expense related to items recognised directly in reserves is also recognized in those reserves.

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

xiii) Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term.

xiv) Onerous Contracts

A contract is considered as onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

Notes to the financial statements for the year ended 31 March 2015
xv) Cash and cash equivalent

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

xvi) Earnings per share

Basic earnings per share are calculated by dividing the net profit / (loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive.

3 Share capital

	31 March 2015		31 March 2014	
	Number of shares	Amount (Rs. lakhs)	Number of shares	Amount (Rs. lakhs)
Authorised				
- Equity shares of Rs.10 each	<u>1,50,00,000</u>	<u>1,500.00</u>	<u>1,50,00,000</u>	<u>1,500.00</u>
Issued				
- Equity shares of Rs.10 each	<u>1,01,44,000</u>	<u>1,014.40</u>	<u>1,01,44,000</u>	<u>1,014.40</u>
Subscribed and paid up				
- Equity shares of Rs.10 each fully paid up	<u>1,01,43,071</u>	<u>1,014.31</u>	<u>1,01,43,071</u>	<u>1,014.31</u>
	<u>1,01,43,071</u>	<u>1,014.31</u>	<u>1,01,43,071</u>	<u>1,014.31</u>

a. Reconciliation of shares outstanding at the beginning and at the end of the year

Outstanding at the commencement and end of the year	<u>1,01,43,071</u>	<u>1,014.31</u>	<u>1,01,43,071</u>	<u>1,014.31</u>
	<u>1,01,43,071</u>	<u>1,014.31</u>	<u>1,01,43,071</u>	<u>1,014.31</u>

b. Rights, preferences and restrictions 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.

During the year ended 31 March 2015, the Company has recognised per share dividend for distribution to equity shareholders amounting to Rs. 6.00 (31 March 2014: Rs. 4.00).

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.

c. Equity shares held by holding/ultimate holding company and/or their subsidiaries/ associates

	31 March 2015		31 March 2014	
	Number of shares	Amount (Rs. lakhs)	Number of shares	Amount (Rs. lakhs)
Honda Motor Co. Ltd., Japan, the holding company and also being the ultimate holding company	<u>67,62,000</u>	<u>676.20</u>	<u>67,62,000</u>	<u>676.20</u>

d. Details of shareholders holding more than 5% shares of a class of shares

	31 March 2015		31 March 2014	
	Number of equity shares	% of total shares in the class	Number of equity shares	% of total share in the class
Honda Motor Co. Ltd., Japan, the holding company and also being the ultimate holding company	<u>67,62,000</u>	<u>66.67%</u>	<u>67,62,000</u>	<u>66.67%</u>

Notes to the financial statements for the year ended 31 March 2015
4 Reserves and surplus

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Capital investment subsidy		
At the commencement and at the end of the year	25.00	25.00
Securities premium account		
At the commencement and at the end of the year	396.46	396.46
General reserve		
At the commencement of the year	12,086.85	11,898.85
Amount transferred from surplus	-	188.00
At the end of the year	12,086.85	12,086.85
Surplus in the statement of profit and loss		
At the commencement of the year	15,888.46	14,672.85
Add: Profit for the year	3,862.39	1,878.28
Less: Appropriations		
Proposed equity dividend	608.59	405.72
Tax on proposed equity dividend	123.90	68.95
Transfer to general reserve	-	188.00
Depreciation adjustment as per schedule II of Companies Act, 2013 (Refer to note 29(d))	34.09	-
Total appropriations	766.58	662.67
At the end of the year	18,984.27	15,888.46
Total reserves and surplus	31,492.58	28,396.77

5 Deferred tax liabilities (net)

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Deferred tax liabilities		
Excess of depreciation/ amortization on fixed assets under income-tax law over depreciation/ amortization provided in accounts	661.81	634.37
Gross deferred tax liability	661.81	634.37
Deferred tax assets		
Expenditure covered by section 43B of Income-tax Act, 1961	177.54	98.34
Provision for inventory	129.07	21.97
Provision for discontinuing models	-	118.96
Provision for onerous contracts	-	101.07
Others	71.55	6.69
Gross deferred tax asset	378.16	347.03
Deferred tax liability (net)	283.65	287.34
Adjustment for deferred tax on depreciation as per schedule II of Companies Act, 2013	(17.87)	-
Deferred tax liability (net)	265.78	287.34

6 Other long-term liabilities

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Others :		
Security deposits from dealers	193.67	182.72
	193.67	182.72

Notes to the financial statements for the year ended 31 March 2015
7 Long-term provisions

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Provision for employee benefits		
Compensated absences (Refer to note 36)	408.84	272.08
	<u>408.84</u>	<u>272.08</u>

8 Trade payables

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Trade payables	6,963.00	5,539.97
For dues to micro and small suppliers (Refer to note 33)	<u>6,963.00</u>	<u>5,539.97</u>

9 Other current liabilities

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Advance from customers	259.01	256.20
Unpaid dividends	32.22	32.03
Creditors for purchase of fixed assets	125.82	149.22
Advance for sale of land	10.00	-
Interest accrued and due on security deposits	10.02	9.50
Other payables		
Payable to employees	495.75	441.52
Statutory liabilities	617.75	730.49
	<u>1,550.57</u>	<u>1,618.96</u>

10 Short-term provisions

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Provision for employee benefits		
Compensated absences (Refer to note 36 (vii))	15.74	15.29
Gratuity (Refer to note 36)	115.13	26.72
	<u>130.87</u>	<u>42.01</u>
Other provisions		
Proposed equity dividend	608.59	405.72
Tax on proposed equity dividend	123.90	68.95
Provision for warranties (Refer to note 38)	53.57	4.32
Provision for service coupons (Refer to note 37)	97.59	54.01
Provision for onerous contracts (Refer to note 29(b))	-	297.34
Income tax [net of advance income tax and taxes deducted at source amounting to Rs. 4,256.62 lakhs (31 March 2014: Rs. 1,989.74 lakhs)]	188.64	420.55
	<u>1,072.29</u>	<u>1,250.89</u>
	<u>1,203.16</u>	<u>1,292.90</u>

Notes to the financial statements for the year ended 31 March 2015

11

Tangible fixed assets

Description	Gross Block			Depreciation			(Rs. lakhs)	
	As at 1 April 2014	Additions	Disposals/ Adjustment	As at 31 March 2015	As at 1 April 2014	Additions	Disposals/ Adjustment	As at 31 March 2015
Own assets:								
Freehold land	117.39	-	-	117.39	-	-	-	117.39
Buildings	3,898.02	393.13	-	4,291.15	638.82	122.37	-	3,529.96
Plant and equipments	15,697.34	2,229.01	146.07	17,780.28	8,972.87	1,593.35	144.77	7,300.87
Furniture and fixtures	221.92	15.26	4.95	232.23	112.32	22.48	4.53	101.96
Vehicles	698.76	150.64	113.42	735.98	398.26	133.87	106.47	310.32
Office equipments	289.45	27.16	8.54	288.07	215.36	25.70	8.36	55.37
Computers	366.08	12.88	1.33	377.63	313.58	35.90	1.33	29.48
	21,268.96	2,828.08	274.31	23,822.73	10,651.21	1,939.67	265.46	11,445.35
Leasehold land	377.35	-	-	377.35	67.26	4.16	-	305.93
	377.35	-	-	377.35	67.26	4.16	-	305.93
Total	21,646.31	2,828.08	274.31	24,200.08	10,718.47	1,943.83	265.46	11,751.28

Description	Gross Block			Depreciation			(Rs. lakhs)	
	As at 1 April 2013	Additions	Disposals/ Adjustment(*)	As at 31 March 2014	As at 1 April 2013	Additions	Disposals/ Adjustment(*)	As at 31 March 2014
Own assets:								
Freehold land	45.00	72.39	-	117.39	552.86	122.45	-	117.39
Buildings	3,813.22	163.41	78.61	3,898.02	7,878.35	1,335.75	36.49	3,259.20
Plant and equipments	14,940.35	1,018.49	261.50	15,697.34	7,878.35	1,335.75	241.23	6,724.47
Furniture and fixtures	215.06	13.27	6.41	221.92	96.36	21.63	5.67	109.60
Vehicles	627.11	111.23	39.58	698.76	322.94	110.32	35.00	300.50
Office equipments	281.19	15.20	26.94	269.45	215.25	26.53	26.42	54.09
Computers	341.15	27.70	2.77	366.08	264.00	52.35	2.77	52.50
	20,263.08	1,421.69	415.81	21,268.96	9,329.76	1,669.03	347.58	10,617.75
Leasehold land	377.35	-	-	377.35	60.72	6.54	-	310.09
	377.35	-	-	377.35	60.72	6.54	-	310.09
Total	20,640.43	1,421.69	415.81	21,646.31	9,390.48	1,675.57	347.58	10,927.84

* Includes items retired from active use and held for sale re-classified to "Current assets".

Asset	Capital work-in-progress		31 March 2015		31 March 2014	
	Gross block	Accumulated depreciation	Net block		(Rs. lakhs)	
Buildings	51.41	30.34	21.07		92.29	
Plant and equipments	12.44	5.52	6.92		690.58	
Office equipments	0.36	0.36	-		644.93	
Total	64.21	36.22	27.99		137.94	
			Opening balance at the beginning of the year		137.94	
			Additions		2,557.87	
			Assets capitalised during the year		2,652.78	
			Closing balance at the end of the year		43.03	

Notes to the financial statements for the year ended 31 March 2015
12 Intangible fixed assets

(Rs. lakhs)

Description	Gross Block			Amortisation			NetBlock
	As at 1 April 2014	Additions	Disposals	As at 31 March 2015	As at 1 April 2014	Disposals	As at 31 March 2015
Technical knowhow - Others	65.18	-	-	65.18	-	-	-
Technical knowhow - Model fees	857.72	73.50	-	931.22	492.55	126.84	311.83
Software	392.22	253.62	-	645.84	307.16	103.30	235.38
Total	1,315.12	327.12	-	1,642.24	864.89	230.14	547.21

Description	Gross Block			Amortisation			NetBlock
	As at 1 April 2013	Additions	Disposals	As at 31 March 2014	As at 1 April 2013	Disposals	As at 31 March 2014
Technical knowhow - Others	65.18	-	-	65.18	-	-	-
Technical knowhow - Model fees	784.57	73.15	-	857.72	381.61	110.94	365.17
Software	330.44	61.78	-	392.22	255.77	51.39	85.06
Total	1,180.19	134.93	-	1,315.12	702.56	162.33	450.23

Intangible fixed assets under development

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Opening balance at the beginning of the year	6.70	7.21
Additions	-	72.64
Assets capitalised during the year	-	73.15
Closing balance at the end of the year	6.70	6.70

Notes to the financial statements for the year ended 31 March 2015
13 Long-term loans and advances
(Unsecured and considered good, unless otherwise stated)

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Recoverable from parties other than related parties :		
Capital advances	403.11	777.55
Security deposits	110.99	160.98
Advance income tax and taxes deducted at source [net of provision for income tax Rs. 13,410.15 lakhs (31 March 2014: Rs. 13,410.15 lakhs)]*	2,585.05	2,460.05
Other loans and advances		
- Prepaid expenses	130.45	-
- Service tax credit receivable	806.43	654.22
- VAT receivables	262.98	-
	<u>4,299.01</u>	<u>4,052.80</u>

* Includes paid under Protest Rs. 1,459.95 lakhs (previous year Rs. 2,163.70 lakhs)

14 Other non-current assets
(Unsecured and considered good, unless otherwise stated)

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Bank deposit (Due to mature after 12 months from reporting date) (Refer note 17)	330.81	-
	<u>330.81</u>	<u>-</u>

15 Inventories
(Valued at the lower of cost and net realisable value)

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Raw materials [includes in transit: Rs. 2,772.68 lakhs (31 March 2014: Rs. 3,239.39 lakhs)]	4,998.97	5,142.74
Work in progress	276.66	330.33
Finished goods	5,558.17	4,449.28
Stock in trade [includes in transit: Rs. 284.91 lakhs (31 March 2014: Rs. 243.52 lakhs)]	1,263.10	1,091.47
Stores and spares	152.11	163.99
	<u>12,249.01</u>	<u>11,177.81</u>
Less : Provision for slow moving inventory	234.96	113.14
Less: Provision for inventory related to discontinuing models	186.50	350.01
	<u>11,827.55</u>	<u>10,714.66</u>

16 Trade receivables
(Unsecured and considered good, unless otherwise stated)

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Receivables outstanding for a period exceeding six months from the date they become due for payment	16.14	20.91
	<u>16.14</u>	<u>20.91</u>
Other receivables		
Unsecured and considered good # *	3,822.18	3,954.62
	<u>3,838.32</u>	<u>3,975.53</u>

includes debts amounting to Rs. 424.58 lakhs (31 March 2014: Rs. 244.81 lakhs) considered good in respect of which the company holds guarantees from the bank.

* includes amount due from Honda Motor India Private Limited Rs. 118.35 lakhs (31 March 2014: Rs. 47.73 lakhs) and from Usha International Limited Rs 203.45 lakhs (31 March 2014: Rs 174.75 lakhs) , being companies having common directors.

Notes to the financial statements for the year ended 31 March 2015
17 Cash and bank balances

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Cash and cash equivalents:		
Cash on hand	23.79	11.45
Cheques on hand	384.69	590.51
Balances with banks		
on current accounts	755.92	649.28
on deposit accounts (with original maturity of three months or less)	375.00	825.00
	1,539.40	2,076.24
Other bank balances:		
Unpaid dividend account	32.22	32.03
Bank deposits (Due to mature after 12 months of the reporting date)	330.81	-
Bank deposits (Due to mature within 12 months of the reporting date)	4,815.55	3,068.81
	5,178.58	3,100.84
Amount disclosed under the Head " Note 14. Other non-current assets"	(330.81)	-
	4,847.77	3,100.84
	6,387.17	5,177.08

18 Short-term loans and advances

(Unsecured and considered good, unless otherwise stated)

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Recoverable from related parties:		
Honda Motor Co. Ltd., Japan	16.56	13.39
Asian Honda Motor Co., Limited, Thailand	0.01	0.35
Honda Australia M. and P.E. PTY Ltd., Australia	-	0.12
Honda R & D Co. Limited, Japan	11.83	-
Honda R & D (India) Private Limited	1.47	-
Recoverable from parties other than related parties :		
Unsecured and considered good		
- Service tax credit receivable	309.30	544.38
- CENVAT credit receivables	1,899.33	1,129.13
- VAT receivables	317.84	311.10
- Special additional duty recoverable		
Considered good	159.98	401.05
Considered doubtful	164.83	-
Less : Provision for doubtful advances	164.83	-
	159.98	401.05
- Advances for supply of goods	82.34	143.72
- Prepaid expenses	97.43	108.41
- Security deposits		
Considered good	44.29	6.05
Considered doubtful	11.15	-
Less : Provision for doubtful advances	11.15	-
	44.29	6.05
- Export benefits recoverable	131.89	96.49
- Others*		
Considered good	816.04	317.85
Considered doubtful	30.77	16.83
Less : Provision for doubtful advances	30.77	16.83
	816.04	317.85
	3,888.31	3,072.04

* Includes Paid under Protest Rs. 51.30 lakhs (previous year Rs. 123.80 lakhs)

Notes to the financial statements for the year ended 31 March 2015
19 Other current assets
(Unsecured and considered good, unless otherwise stated)

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Interest accrued but not due on bank deposits	144.53	54.95
Fixed assets reclassified as held for sale (Refer to note 11)	27.99	35.28
	<u>172.52</u>	<u>90.23</u>

20 Revenue from operations

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Sale of products		
Finished goods	59,396.74	51,788.36
Stock in trade	5,541.63	5,009.55
	<u>64,938.37</u>	<u>56,797.91</u>
Less : Excise duty	2,828.86	3,648.46
	<u>62,109.51</u>	<u>53,149.45</u>
Other operating revenues		
Spares and components	564.95	559.89
Scrap sales	221.58	211.76
Support service and infrastructure fee	122.20	102.37
Other operating income	120.49	184.09
	<u>1,029.22</u>	<u>1,058.11</u>
Less : Excise duty	65.96	72.83
	<u>963.26</u>	<u>985.28</u>
	<u>63,072.77</u>	<u>54,134.73</u>

Break-up of revenue from sale of products

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Finished goods		
Gensets	41,660.62	35,325.74
Engines	7,165.05	7,511.37
Water pumps	10,571.07	8,951.25
	<u>59,396.74</u>	<u>51,788.36</u>
Stock in trade		
Brush cutters	2,841.95	2,363.80
Engines	1,478.30	1,589.57
Water pumps	142.21	232.82
Tillers	600.73	463.96
Lawn mowers	403.76	351.93
Others	74.68	7.47
	<u>5,541.63</u>	<u>5,009.55</u>

21 Other income

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Interest income on bank deposits	491.68	270.83
Net gain on sale of fixed assets	19.63	8.15
Net gain on account of foreign exchange fluctuation	39.25	-
Liabilities/Provisions no longer required written back	129.65	147.29
Other non-operating income	29.33	30.32
	<u>709.54</u>	<u>456.59</u>

Notes to the financial statements for the year ended 31 March 2015
22 Cost of materials consumed (Refer to note 43)

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Inventory of materials at the beginning of the year	5,142.74	4,343.57
Purchases	34,570.61	30,334.97
Inventory of materials at the end of the year	4,998.97	5,142.74
	<u>34,714.38</u>	<u>29,535.80</u>

Break-up of cost of materials consumed

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Steel sheets	581.99	665.12
CRNGO sheets	315.57	458.61
Aluminium alloy ingots	853.90	1,280.70
Copper wire	605.74	810.99
Others	32,357.18	26,320.38
	<u>34,714.38</u>	<u>29,535.80</u>

23 Purchases of stock in trade

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Brush cutters	1,993.18	1,209.29
Engines	1,052.57	1,290.75
Water Pumps	121.50	218.49
Tillers	572.95	180.03
Lawn mowers	424.63	285.08
Others	225.49	47.67
	<u>4,390.32</u>	<u>3,231.31</u>

24 Changes in inventories of finished goods, stock in trade and work in progress

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Inventories at the end of the year:		
Finished goods	5,558.17	4,449.28
Stock in trade	1,263.10	1,091.47
Work in progress	276.66	330.33
	<u>7,097.93</u>	<u>5,871.08</u>
Inventories at the beginning of the year:		
Finished goods	4,449.28	4,013.12
Stock in trade	1,091.47	1,824.91
Work in progress	330.33	283.02
	<u>5,871.08</u>	<u>6,121.05</u>
(Increase)/decrease in excise duty	(123.83)	137.26
(Increase)/decrease in inventories	<u>(1,103.02)</u>	<u>112.71</u>

Details of inventory

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
i) Finished goods		
Gensets	4,301.28	3,453.46
Engines	496.55	614.94
Water pumps	760.34	380.88
	<u>5,558.17</u>	<u>4,449.28</u>

Notes to the financial statements for the year ended 31 March 2015

ii) Stock in trade	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Brush cutters	409.98	333.26
Engines	281.53	475.61
Lawn mowers	195.79	81.27
Tillers	141.08	70.01
Others	234.72	131.32
	<u>1,263.10</u>	<u>1,091.47</u>
iii) Work in progress	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Gensets	118.57	267.50
Engines	143.72	44.01
Water pumps	14.37	18.82
	<u>276.66</u>	<u>330.33</u>
25 Employee benefits	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Salaries, wages and bonus	4,774.86	4,202.75
Contribution to provident and other funds (Refer to note 36)	461.14	387.20
Compensated absences	190.22	128.50
Staff welfare expense	407.49	396.26
	<u>5,833.71</u>	<u>5,114.71</u>
26 Depreciation and amortization	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Depreciation on tangible fixed assets	1,943.83	1,675.57
Amortization on intangible fixed assets	230.14	162.33
	<u>2,173.97</u>	<u>1,837.90</u>
Less : Additional depreciation on discontinued models dies reclassified to exceptional item (Refer to note 28)	42.74	84.35
	<u>2,131.23</u>	<u>1,753.55</u>

Notes to the financial statements for the year ended 31 March 2015
27 Other expenses

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Consumption of stores and spare parts (Refer to note 44)	300.82	314.63
Power and fuel	775.86	793.16
Rent (Refer to note 35)	318.21	376.89
Repairs		
- Building	24.39	14.52
- Machinery	113.23	225.73
- Others	190.66	135.92
Insurance	71.76	65.03
Rates and taxes	258.25	257.12
Royalty	2,339.94	1,982.08
Technical guidance fees	996.72	1,560.38
Freight, clearing and forwarding	1,707.64	1,373.31
Commission on sales	2,050.70	1,298.52
Advertisement and sales promotion	569.22	691.54
Service expenses	193.48	182.65
Travelling expenses	518.88	505.72
Legal and professional fees (Refer to note 32)	329.49	228.28
Vehicle running expenses	190.83	195.49
Fixed assets written off	-	25.14
Foreign exchange fluctuation (net)	-	48.31
Bad debts written off	-	1.62
Provision for slow moving inventory	121.82	64.64
Provision for doubtful advances	189.92	-
Inventory written off	71.60	4.57
Less: written off against provision	71.60	4.57
Warranty	216.61	53.64
Security expenses	114.86	106.00
Bank charges	55.20	46.55
Contribution towards Corporate Social Responsibility (Refer to note 29(e))	83.00	-
Miscellaneous	537.04	481.20
	12,268.53	11,028.07

28 Exceptional items

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Termination benefits	-	185.73
Provision for discontinued models inventory (Refer to note 29 (b))	(91.91)	350.01
Provision for onerous contracts (Refer to note 29 (b))	(297.34)	297.34
Additional depreciation on discontinued models dies (Refer to note 29 (c))	42.74	84.35
Others	-	4.94
	(346.51)	922.37

Notes to the financial statements for the year ended 31 March 2015

- 29 a.** Restructuring programme declared in the year 2013-14 for shifting manufacturing facility from Puducherry to Greater Noida, Uttar Pradesh has been completed. The Company has shifted all usable assets to Greater Noida except following tangible assets which are held for disposal:

Building – Rs. 21.07 lakhs (corresponding gross block – Rs. 51.41 lakhs) [Previous year – Rs. 22.80 lakhs (corresponding gross block – Rs. 51.41 lakhs)]

Plant and Equipments – Rs. 6.92 lakhs (corresponding gross block – Rs. 12.44 lakhs) [Previous year – Rs. 12.48 lakhs (corresponding gross block – Rs. 27.55 lakhs)]

Office equipments – Rs. Nil lakhs (corresponding gross block – Rs.0.36 lakhs) [Previous year – Rs. Nil lakhs (corresponding gross block – Rs. 0.36 lakhs)]

- b.** The Ministry of Environment has revised rules vide notification dated 7 August 2013 for Emission Standards in respect of production and sale of generator sets (both petrol and kerosene based models) effective 31 May 2014 and 7 August 2014 respectively. Pursuant to the new rules, the Company had recognised Provision of Rs. 647.35 lakhs in the previous year ended 31 March 2014 (Rs 350.01 lakhs for non useable raw material and Rs 297.34 lakhs for onerous commitment). Out of the provision of Rs. 350.01 lakhs, the company has written off inventory amounting to Rs. 71.60 lakhs and balance provision of Rs. 278.41 lakhs have been reassessed at Rs 186.50 lakhs. Provision of onerous commitment of Rs 297.34 lakhs has been written back in the current year as the company has decided to purchase this material for use in further production with minor modification.
- c.** Pursuant to change in Emission Standards, the Company had reassessed the useful life of dies used for the production of discontinued models and charged additional accelerated depreciation of Rs 42.74 lakhs. (Previous year Rs 84.35 lakhs).
- d.** The Company has re-evaluated useful life of assets as per Schedule II of the Companies Act, 2013. The revised useful lives along with useful lives as per earlier estimates are as below:

Category of assets	Earlier life (Years)	Revised life (Years)
Plant and equipments	21	10-15

As a result of management re-assessment of useful life of assets, aligning with Schedule II of the Companies Act, 2013, the Company has recorded an additional depreciation of Rs 199.94 lakhs in the Statement of Profit and Loss. Further, based on a transitional provision provided in Note 7(b) of Schedule II of the Companies Act, 2013, an amount of Rs. 34.09 lakhs (net of deferred tax of Rs. 17.87 lakhs) has been adjusted to Reserves and Surplus.

- e.** As per Section 135 of the Companies Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Company. The areas for CSR activities are promoting health care, sanitation, safe drinking water, promoting education, gender equality and Contribution to Prime Minister's National Relief fund. Accordingly, the Company has contributed Rs. 83 lakhs towards Prime Minister National Relief Fund, as specified in Schedule VII of the Companies Act, 2013.

30 Contingent liabilities

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Claims against the Company not acknowledged as debt:		
Income tax matters	5,977.01	5,652.08
Excise matters	4,456.94	4,330.20
Service tax matters	749.96	700.76
Sales tax matters	240.25	251.91
Other matters	15.14	74.16

31 Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for [net of advances Rs.341.51 lakhs (31 March 2014: Rs. 777.55 lakhs)] amounts to Rs. 370.51 lakhs (31 March 2014: Rs. 1,042.47 lakhs)

32 Payment to auditors (included under legal and professional fees)

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
As auditor:		
- Statutory audit	22.84	19.25
- Tax audit	4.00	3.00
- Limited reviews of quarterly results	9.00	9.00
Reimbursement of expenses	4.57	4.21
	<u>40.41</u>	<u>35.46</u>

excludes service tax

Notes to the financial statements for the year ended 31 March 2015
33 Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the Company

Particulars	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	194.63	180.57
- 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 suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in 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 the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Notes to the financial statements for the year ended 31 March 2015**34 Disclosures as per Accounting Standard (AS)-18 "Related Party Disclosures"****A. Name of related parties****Ultimate holding company and holding company:**

Honda Motor Co., Limited, Japan

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 Ltda., 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 Ltda., 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, U.K.

Honda Cars India Limited, India

Honda Kaihatsu India Hospitality Pvt. Ltd., India

Honda Selva Del Peru S.A.

Honda Power Products Ltd., Japan

Honda Trading Philippines Ecozone Corporation, Philippines

Honda Trading America Corp., America

B. Name of key management personnel:

Mr. T. Hamasaki President and CEO (Up to 30 March 2015)

Mr. Hiroyoshi Sugimizu Vice President and Whole time director (with effect from 1 April 2014)

Mr. Vinay Mittal Vice President, Whole time director and CFO

Mr. S. Yotsumoto Vice President and Whole time director (Upto 23 March 2014)

Notes to the financial statements for the year ended 31 March 2015
C. Related party transactions for the year ended 31 March 2015

(Rs. lakhs)

Particulars	Ultimate Holding and Holding Company	Fellow Subsidiaries	Key Management Personnel	Total
Sale of finished goods, components, spares and samples	666.15	20,901.56	-	21,567.71
Purchase of goods (components, raw material, consumables, finished goods and spares)	5,237.54	6,559.65	-	11,797.19
Purchase of capital goods	111.44	347.46	-	458.90
Reimbursement of expenses received	119.92	13.96	-	133.88
Reimbursement of expenses paid	16.71	191.62	-	208.33
Fee for infrastructure support services received	-	17.08	-	17.08
Payment of technical guidance fee (Including amount capitalised)	1,017.01	-	-	1,017.01
Payment of export commission (included under commission on sales)	2,023.69	-	-	2,023.69
Payment of royalty	2,339.94	-	-	2,339.94
Payment of model fee	70.00	-	-	70.00
Payment of dividend	270.48	-	-	270.48
Receipt of support services and technical assistance fees	-	122.20	-	122.20
Managerial remuneration	-	-	267.42	267.42

D. Related party balance as at 31 March 2015

(Rs. lakhs)

Particulars	Ultimate Holding and Holding Company	Fellow Subsidiaries	Key Management Personnel	Total
Payables	2,962.37	379.42	-	3,341.79
Receivables	-	1,665.34	-	1,665.34
Advance to suppliers	-	11.83	-	11.83
Short-term loans and advances	16.56	1.48	-	18.04

Notes to the financial statements for the year ended 31 March 2015
E. Related party transactions for the year ended 31 March 2014
(Rs. lakhs)

Particulars	Ultimate Holding and Holding Company	Fellow Subsidiaries	Key Management Personnel	Total
Sale of finished goods, components, spares and samples	1.61	11,325.59	-	11,327.20
Purchase of goods (components, raw material, consumables, finished goods and spares)	6,095.21	5,568.34	-	11,663.55
Purchase of capital goods	40.04	19.66	-	59.70
Reimbursement of expenses received	127.40	21.61	-	149.01
Reimbursement of expenses paid	19.96	92.55	-	112.51
Fee for infrastructure support services received	-	18.28	-	18.28
Payment of technical guidance fee	1,560.38	-	-	1,560.38
Payment of export commission (included under commission on sales)	1,182.37	-	-	1,182.37
Payment of royalty	1,982.08	-	-	1,982.08
Payment of model fee	70.00	-	-	70.00
Payment of dividend	270.48	-	-	270.48
Receipt of support services and technical assistance fees	-	102.37	-	102.37
Managerial remuneration	-	-	263.64	263.64

F. Related party balance as at 31 March 2014
(Rs. lakhs)

Particulars	Ultimate Holding and Holding Company	Fellow Subsidiaries	Key Management Personnel	Total
Payables	1,830.03	497.52	-	2,327.55
Receivables	0.36	2,214.49	-	2,214.85
Advance from customer	0.43	0.09	-	0.52
Advance to suppliers	-	0.96	-	0.96
Short-term loans and advances	13.39	0.47	-	13.86

Notes to the financial statements for the year ended 31 March 2015
G Details of fellow subsidiaries with whom transaction exceeds 10% of the total class of transactions.

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Honda Philippines Inc., Philippines		
- Sale of finished goods	405.78	270.42
- Reimbursement of expenses paid	-	0.14
Honda Del Peru S.A., Peru		
- Sale of finished goods	171.06	348.02
- Reimbursement of expenses paid	0.32	2.33
Honda de Mexico, S.A. de C.V., Mexico		
- Sale of finished goods	19.38	18.36
- Reimbursement of expenses paid	-	1.78
Honda Australia M. & P.E. Pty. Limited, Australia		
- Sale of finished goods	434.66	22.82
- Purchase of goods	-	30.83
- Reimbursement of expenses received	-	0.12
Asian Honda Motor Co. Limited, Thailand		
- Purchase of goods	4,883.07	3,970.09
- Reimbursement of expenses paid	4.81	10.28
- Reimbursement of expenses received	1.73	8.83
Honda Trading Corporation, Japan		
- Purchase of goods	546.84	823.24
- Purchase of capital goods	347.46	11.21
Honda Manufacturing (Nigeria) Ltd., Nigeria		
- Sale of finished goods	150.56	590.69
- Reimbursement of expenses paid	0.38	0.19
Honda Trading Asia Co. Limited, Thailand		
- Purchase of capital goods	-	8.45
- Purchase of goods	536.63	368.24
- Reimbursement of expenses received	-	0.19
PT. Honda Power Products Indonesia, Indonesia		
- Sale of finished goods	2.06	493.73
- Reimbursement of expenses paid	0.11	9.83
Honda Motor India Private Limited, India		
- Sale of spares	433.72	441.90
- Reimbursement of expenses paid	37.07	48.76
- Receipt of support services and technical assistance fees	122.20	102.37
- Purchase of goods	11.72	7.13
Moto Honda da Amazonia Ltda., Brazil		
- Sale of finished goods	-	444.45
- Reimbursement of expenses paid	-	11.60
Honda Trading (South China) Co. Limited, Hong Kong		
- Purchase of goods	117.46	148.81
Honda R & D Co., Limited, Japan		
- Sale of finished goods and spares	77.28	103.23
Honda R & D (India) Private Limited, India		
- Fee for infrastructure support services received	17.08	18.28
- Reimbursement of expenses received	9.23	9.43
- Sale of finished goods, spares and samples	12.77	7.17
Honda Motor de Argentina S.A., Argentina		
- Sale of finished goods	129.57	44.57
- Reimbursement of expenses paid	-	0.22
Shanghai Honda Trading Co. Limited, China		
- Purchase of goods	313.34	167.09
Honda Atlas Power Products Pvt. Ltd., Pakistan		
- Sale of finished goods	20.28	112.88
- Reimbursement of expenses paid	1.95	0.54
PT. Honda Trading Indonesia, Indonesia		
- Sale of finished goods	106.65	-
- Purchase of goods	75.15	26.63
Honda Trading Brasil Ltda., Brasil		
- Purchase of goods	20.51	24.64
Honda Canada Inc., Canada		
- Sale of finished goods	2,584.85	1,195.59
- Reimbursement of expenses paid	41.66	-
American Honda Motor Co. Inc, USA		
- Sale of finished goods	15,356.08	7,217.08
- Reimbursement of expenses paid	103.61	6.46

Notes to the financial statements for the year ended 31 March 2015
H. Balances of fellow subsidiaries

	As at 31 March 2015	As at 31 March 2014
Trade Payables		
Asian Honda Motor Co., Limited, Thailand	231.17	361.76
Honda Trading Corporation, Japan	10.43	59.88
American Honda Motor Co. Inc., USA	92.03	6.46
Trade Receivables		
American Honda Motor Co. Inc., USA	1,143.84	1,910.23
Honda Canada Inc., Canada	243.46	-
Short term loans and advances		
Advance for supply of goods		
Honda R & D Co. Limited, Japan	11.83	-
Other loans and advances		
Asian Honda Motor Co., Limited, Thailand	0.01	0.35
Honda R & D (India) Private Limited	1.47	-
Honda Australia M. & P.E. Pty. Limited, Australia	-	0.12

I. Transactions with key management personnel:
Managerial remuneration *

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Name		
Mr. T. Hamasaki	108.24	101.23
Mr. S. Yotsumoto	-	101.05
Mr. Hiroyoshi Sugimizu	89.73	-
Mr. Vinay Mittal	69.45	61.36

* 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.

35 Disclosure in respect of operating leases under Accounting Standard (AS) – 19 “Leases”
a) General description of the Company’s operating lease arrangements:

The Company enters into operating lease arrangements for leasing area 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 months' notice or by paying the notice period rent in lieu thereof.
- other agreements for premises cannot be terminated by either party before the expiry of one year.
- the lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.
- the Company shall not sublet, assign or part with the possession of the premises without prior written consent of the lessor.

b) Lease rent charged to the Statement of Profit and Loss amounts to Rs. 318.21 lakhs (31 March 2014: Rs.376.89 lakhs).
c) Future minimum lease payments under non-cancellable operating lease are as under:

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Not later than one year	15.97	12.67
Later than one year but not later than 5 years	7.39	20.06

- d) The Company has sub-let 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 Rs. 3.0 lakhs (Previous year Rs. 2.5 lakhs) has been netted off with rent expense.

Notes to the financial statements for the year ended 31 March 2015
36 Disclosure in respect of employee benefits under Accounting Standard (AS) - 15 "Employee Benefits":

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
(a) Employer contribution to provident fund and other funds:		
- Provident fund *	208.90	187.34
- Employees' state insurance	22.16	27.39
- Gratuity	179.44	128.34
- Superannuation fund	50.64	44.13
	461.14	387.20

* includes contribution to family pension fund Rs 87.76 lakhs (31 March 2014: Rs. 66.81 lakhs)

- (b) The following tables summarize the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective defined benefit plans:

(i) Movement in present value of defined benefit obligations

	Gratuity		Provident Fund	
	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Present value of obligation as at the beginning of the year	721.28	585.20	2,542.28	2,181.52
Interest cost	61.31	48.74	203.38	190.88
Current service cost	70.99	55.35	121.14	119.34
Benefits paid	(41.54)	(45.56)	(157.40)	(239.71)
Actuarial (gain) / loss	109.79	77.55	24.04	10.92
Contributions by plan participants / employees	-	-	296.59	265.15
Settlements / transfer in	-	-	2.48	14.18
Present value of obligation as at the end of the year	921.83	721.28	3,032.51	2,542.28

(ii) Movement in fair value of plan assets

	Gratuity		Provident Fund	
	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Fair value of plan assets as at the beginning of the year	694.56	601.18	2,700.10	2,321.37
Expected return on plan assets	62.51	52.60	236.26	203.12
Contributions paid in to the plan	91.04	85.64	121.14	119.34
Benefits paid by the plan	(41.54)	(45.56)	(157.40)	(239.71)
Actuarial gain/ (loss)	0.13	0.70	96.34	16.65
Contributions by plan participants / employees	-	-	296.59	265.15
Settlements / transfer in	-	-	2.48	14.18
Fair value of plan assets as at the end of the year	806.70	694.56	3,295.51	2,700.10

(iii) Actuarial gain/loss recognised in the Statement of Profit and Loss

	Gratuity		Provident Fund	
	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Actuarial gain / (loss) for the year - obligation	(109.79)	(77.55)	(24.04)	(10.92)
Actuarial gain / (loss) for the year - plan assets	0.13	0.70	96.34	16.65
Total gain / (loss) for the year	(109.66)	(76.85)	72.30	5.73
Actuarial gain / (loss) recognised in the year	(109.66)	(76.85)	72.30	5.73
Unrecognised actuarial gains / (losses) at the end of year	-	-	-	-

Notes to the financial statements for the year ended 31 March 2015
(iv) Assets and liabilities recognised in the balance sheet

	Gratuity		Provident Fund	
	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Present value of obligation as at the end of the year	921.83	721.28	3,032.51	2,542.28
Fair value of plan assets as at the end of the year	806.70	694.56	3,295.51	2,700.10
Funded status	(115.13)	(26.72)	263.00	157.82
Unrecognised actuarial gains/ (losses)	-	-	-	-
Net assets / (liability) recognised in balance sheet	(115.13)	(26.72)	*	*

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

(v) Expense recognised in the Statement of Profit and Loss

	Gratuity		Provident Fund	
	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Current service cost	70.99	55.35	-	-
Past service cost	-	-	-	-
Interest cost	61.31	48.74	-	-
Expected return on plan assets	(62.51)	(52.60)	-	-
Net actuarial (gain) / loss recognised in the year	109.66	76.85	-	-
Company contribution to provident fund trust	-	-	121.14	119.34
Amount recognised in the Statement of Profit and Loss	179.44	128.34	121.14	119.34

(vi) Composition of plan assets

	Gratuity		Provident Fund	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Funds managed by insurer	100%	100%	-	-
Central Government securities	-	-	34%	34%
State Government securities	-	-	21%	21%
Public sector unit bonds	-	-	44%	44%
Special deposit schemes of Central Government	-	-	1%	1%

(vii) Principal actuarial assumptions at the balance sheet date for gratuity, compensated absence and provident fund
Economic assumptions (Gratuity and Compensated absences)

	31 March 2015	31 March 2014
Discount rate (p.a.)	7.88%	8.50%
Future salary increase (p.a.)	8.00%	8.00%
Expected rate of return on plan assets (p.a.)	9.00%	8.75%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

The discount rate is based on the prevailing market yields of Government Bonds as at the balance sheet date for the estimated term of the obligations.

Notes to the financial statements for the year ended 31 March 2015
Economic assumptions (Provident fund)

	31 March 2015	31 March 2014
Interest rate (p.a.)	8.75%	8.75%
Demographic Assumption (Gratuity, Compensated absences and Provident fund)		
i) Retirement Age (Years)	58	58
ii) Mortality Table	IALM (2006 - 08)	IALM (2006 - 08)
iii) Ages		
Up to 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

(viii) Amounts recognised in current year and previous four years:

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)	31 March 2011 (Rs. lakhs)
Gratuity					
Defined benefit obligation	921.83	721.28	585.20	490.66	400.19
Fair value of plan asset	806.70	694.56	601.18	501.21	399.81
Surplus/(deficit) in plan asset	(115.13)	(26.72)	15.98	10.55	(0.38)
Experience adjustment in plan liabilities	(62.27)	(28.16)	(29.61)	(34.51)	(34.00)
Experience adjustment in plan assets	1.87	0.70	2.49	3.15	(0.34)

The Company expects to contribute Rs 118.99 lakhs in the next year (31 March 2014: Rs. 55.35 lakhs) to gratuity fund.

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)	31 March 2013 (Rs. lakhs)	31 March 2012 (Rs. lakhs)	31 March 2011 (Rs. lakhs)
Provident fund					
Projected benefit obligation	3,032.51	2,542.28	2,181.52	1,805.49	1,532.43
Fair value plan assets	3,295.51	2,700.10	2,321.37	1,953.53	1,649.79
Interest guarantee liability	(13.02)	(10.60)	(9.13)	(7.68)	(6.49)
Surplus in fund	276.02	168.42	148.98	155.72	123.85
Net surplus in fund	263.00	157.82	139.85	148.04	117.36

37 The Company provides after-sales service coupons to its customers for availing free of cost service. The coupons are valid for one year, the details of movement of provision are as under:

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Balance at the beginning of the year	54.01	39.81
Provision made during the year	158.71	165.76
Provision utilised during the year	115.13	146.97
Unutilised provision written back during the year	-	4.59
Balance at the end of the year	97.59	54.01

The Company expects that the service coupons will be utilized within the validity period of one year. The provision has been created based on management's estimates and past trends.

Notes to the financial statements for the year ended 31 March 2015
38 The sales are covered by a warranty period of one year, the details of which are as under:

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Balance at the beginning of the year	3.85	1.90
Provision made during the year	216.61	53.64
Provision utilised during the year	167.22	51.69
Balance at the end of the year*	53.24	3.85

* Net of expected reimbursement of Rs.0.33 lakhs (31 March 2014: Rs 0.47 lakhs) from suppliers of traded goods recognized and included in loans and advances in accordance with the requirements of Accounting Standard – 29 "Provisions, Contingent Liabilities and Contingent Assets."

The warranty provision is expected to be utilised within the normal warranty period of one year. The provision has been created based on management's estimates and past trends.

39 Earnings per share

	31 March 2015	31 March 2014
Profit for the year after taxation as per the Statement of Profit and Loss (Rs. lakhs)	3,862.39	1,878.28
Number of equity shares outstanding during the year	1,01,43,071	1,01,43,071
Basic and diluted earnings per share in Rupees (face value of Rs. 10 per share)	38.08	18.52

40 Segment information
Primary segment:

The primary reportable segment for the Company is geographical segment by location of its customers. The Company's geographical segment comprises domestic customers and overseas customers.

The primary segments have been identified in line with AS 17, taking into account the risks and return, organisation structure and internal reporting system.

Segment revenue comprises income from sales and services which are directly identifiable to the individual segment. Certain non-operating incomes such as interest income on fixed deposits, net profit on sale of fixed assets and exceptional items do not form part of segment revenue and are included under "other non-operating income". Direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remaining costs are categorised to the segment on a reasonable basis. Certain expenses such as administrative expenses which form a significant component of total expenses are not specifically allocable to specific segments. Accordingly, these expenses are separately disclosed as "unallocated" and directly charged against total income.

Segment assets include operating assets used by a segment that are directly identifiable to that segment and consist principally of trade receivables and inventory. Segment liabilities include operating liabilities that are directly identifiable to that segment and consist principally of accrued liabilities and advances from customers. Segment liabilities exclude share capital and reserves and surplus. Assets and liabilities of the Company which cannot be identified to any of the reportable segments have not been allocated as the same are used for both segments.

Information about primary segments - geographical segments by customer:

	31 March 2015			31 March 2014		
Particulars	Domestic	Exports	Total	Domestic	Exports	Total
Segment revenue (net of excise duty on goods sold)	36,533.31	26,539.46	63,072.77	38,916.50	15,218.23	54,134.73
Segment result	4,256.80	3,418.37	7,675.17	4,436.74	1,184.09	5,620.83
Less: unallocated expense			2,837.55			2,262.25
Operating profit			4,837.62			3,358.58
Add: other non-operating income (including exceptional items)			1,056.05			(465.78)
Less: taxes (current and deferred)			2,031.28			1,014.52
Net profit after taxes			3,862.39			1,878.28
Other information						
Segment assets	14,202.44	7,823.00	22,025.44	8,713.67	4,005.62	12,719.29
Unallocated corporate assets			21,066.47			25,885.76
Total assets			43,091.91			38,605.05
Segment liabilities	2,411.84	1,837.26	4,249.10	2,009.69	1,193.58	3,203.27
Unallocated corporate liabilities			6,335.92			5,990.70
Total liabilities			10,585.02			9,193.97
Capital expenditure	719.52	949.73	1,669.25	106.35	73.15	179.50
Unallocated capital expenditure			1,040.00			1,832.97
Total capital expenditure			2,709.25			2,012.47
Depreciation	1,209.21	620.79	1,830.00	1,230.48	431.68	1,662.16
Unallocated depreciation			301.23			91.39
Total depreciation			2,131.23			1,753.55

Secondary segment:

As the Company's business activity falls within a single business segment viz. "power products and related parts", the secondary business segment disclosure requirements of accounting standard - 17 are not applicable to the Company.

Notes to the financial statements for the year ended 31 March 2015
41 Unhedged foreign currency exposure
(Figures in lakhs)

	31 March 2015		31 March 2014	
	Amount in foreign currency	Amount in Rupees	Amount in foreign currency	Amount in Rupees
Receivables	US \$ 33.29	2,045.26	US \$ 43.04	2,605.01
	JPY 1.67	0.88	JPY 8.48	5.04
Payables	US \$ 29.76	1,886.91	US \$ 20.37	1,232.50
	JPY 447.55	236.66	JPY 672.47	399.98
	THB 34.45	68.35	THB 20.77	39.04
	EURO 0.06	4.19	-	-
Cash	US \$ 0.06	3.40	US \$ 0.03	1.74
	THB 0.04	0.07	-	-
	EURO 0.01	0.40	-	-
Bank	US \$ 1.40	86.02	US \$ 2.93	174.04

42 Value of imports on CIF basis

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Raw materials	10,887.17	10,633.03
Stores and spares	5.65	7.37
Stock in trade	3,986.14	2,734.73
Capital goods	582.65	82.29
Total	15,461.61	13,457.42

43 Value of imported and indigenous raw materials and components and the percentage of each to the total consumption

	31 March 2015		31 March 2014	
	(Rs. lakhs)	%	(Rs. lakhs)	%
Imported	11,418.34	33%	11,275.46	38%
Indigenous	23,296.04	67%	18,260.34	62%
Total	34,714.38	100%	29,535.80	100%

44 Value of imported and indigenous stores and spares consumed and the percentage of each to the total consumption

	31 March 2015		31 March 2014	
	(Rs. lakhs)	%	(Rs. lakhs)	%
Imported	6.57	2%	15.65	5%
Indigenous	294.25	98%	298.98	95%
Total	300.82	100%	314.63	100%

45 Expenditure in foreign currency

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Technical guidance fee (excluding fee capitalised Rs. 20.29 lakhs (previous year Rs. Nil))	996.72	1,560.38
Royalty	2,339.94	1,982.08
Travelling	73.42	54.83
Export Commission included in Commission on sales	2,023.69	1,182.37
Others	170.26	167.99
Total	5,604.03	4,947.65

Notes to the financial statements for the year ended 31 March 2015
46 Earnings in foreign currency

	31 March 2015 (Rs. lakhs)	31 March 2014 (Rs. lakhs)
Export on F.O.B. basis	26,034.13	14,857.75

47 Dividend remitted in foreign currency

	31 March 2015	31 March 2014
Dividend paid during the year (Rs. lakhs)	270.68	270.67
Number of non-resident shareholders	24	22
Number of equity shares held by such non-resident shareholders	67,66,915	67,66,814
Year to which the dividends relates	2013-14	2012-13

- 48** The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing regulation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company continuously updates its documentation for the international transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by the due date as required under law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

As per our report of even date attached.

For **BSR & Co. LLP**

Chartered Accountants

Firm Registration No.: 101248W/W-100022

Vikram Advani

Partner

Membership No. : 091765

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
O.P. Khaitan	Director
Ravi V. Gupta	Director
A.M. Bharucha	Director
Yoshifumi Iida	President & CEO
Vinay Mittal	Whole time Director & CFO

Place: New Delhi

Date : 18 May 2015



Honda Siel Power Products Limited

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