HONDA

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

**Ref: HIPP/SE/2026-27/24**

July 31, 2026

**Corporate Relationship department**
**BSE Limited**
Registered Office: Floor 25, PJ Towers,
Dalal Street,
**Mumbai – 400 001**

**Listing Department**
**National Stock Exchange of India Limited**
Exchange Plaza, 5th Floor,
Bandra Kurla Complex Bandra (E),
**Mumbai - 400 051**

**Scrip Code: NSE: HONDAPOWER**
**BSE: 522064**

**Sub: Notice of 41st Annual General Meeting ("AGM") and Annual Report for the Financial Year 2025-26**

Dear Sir/Madam,

Pursuant to the Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Notice of 41st Annual General Meeting of the Company, alongwith the Annual Report for the Financial year 2025-26, scheduled to be held on Wednesday, August 26, 2026, at 12:00 Noon IST through Video conferencing ("VC")/Other Audio - Visual Means.

The above documents are also available on the website of the Company at **www.hondaindiapower.com**.

Record date for ascertaining the members of the Company for the purpose of payment of Dividend has been fixed for August 19, 2026.

Register of Members and Share Transfer books of the Company will remain closed from Thursday, August 20, 2026, to Wednesday, August 26, 2026 (both days inclusive).

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

Thanking you.

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

Sunita Ganjoo
Digitally signed by Sunita Ganjoo
Date: 2026.07.31 10:49:29 +05'30'

POWER PRODUCTS LTD. Greater Noida HONDA INDIA

**Sunita Ganjoo**
**Company Secretary and Compliance Officer**

*Encl: as above*

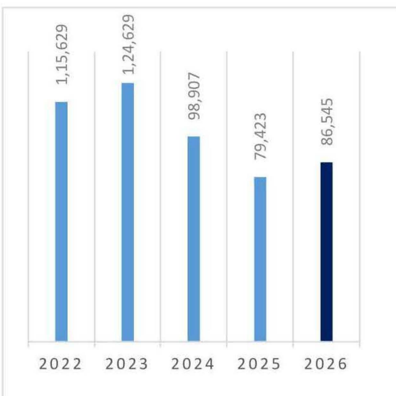
HONDA

# 41ST ANNUAL REPORT
# 2025–26

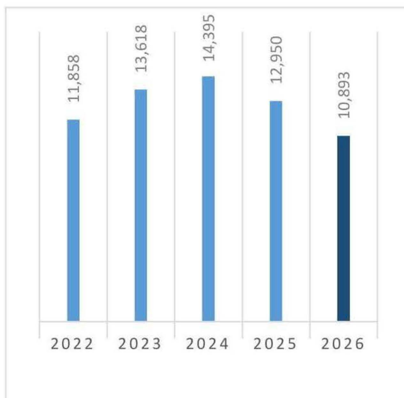

## HONDA INDIA POWER PRODUCTS LIMITED

# Key Financial Trends

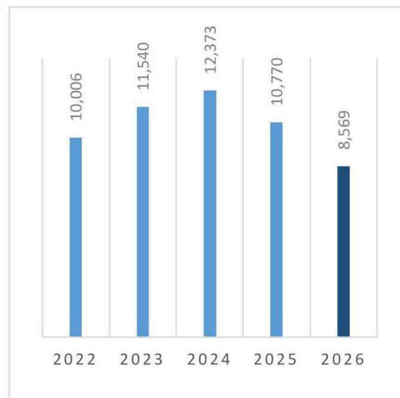
**Operting Revenue (Rs lakhs)**



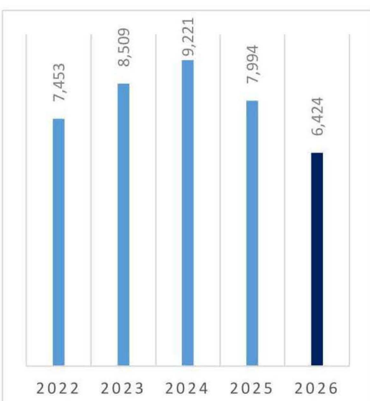

**PBDT (Rs lakhs)**



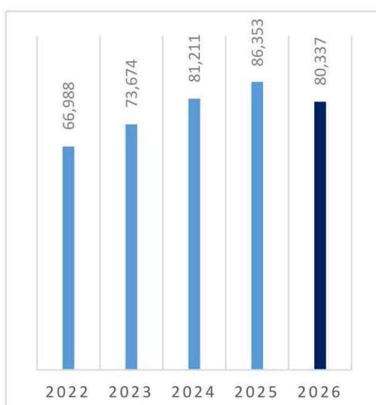

**PBT (Rs lakhs)**



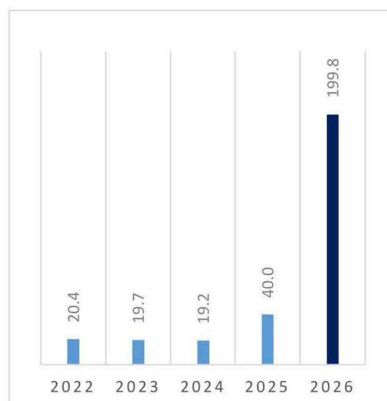

**PAT (Rs lakhs)**




**Networth (Rs lakhs)**




**Dividend Payout Ratio(%)**



# Corporate Information

## Board of Directors

**Mr. Shigeki Iwama**
CMD and President & CEO

**Mr. Vinay Mittal**
Whole Time Director & CFO

**Mr. Akihiro Sakurai**
Whole Time Director

**Mr. Yasuhiro Takabatake**
Non - Executive Director

**Mr. Ravi Prakash Mehrotra**
Independent Director

**Ms. Anuradha Dutt**
Independent Director

**Mr. Nitin Savara**
Independent Director

**Mr. Balachandran Dharman**
Independent Director

## Company Secretary & Compliance Officer

Ms. Sunita Ganjoo

## Statutory Auditors

**M/s B S R & Co., LLP**
Building No. 10, 12th Floor, Tower-C,
DLF Cyber City, Phase-II, Gurugram- 122 002

## Registered Office

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

## Head Office & Works

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

## Registrar & Share Transfer Agent

**M/s MAS Services Limited**
T-34, 2nd Floor, Okhla Industrial Area,
Phase – II, New Delhi – 110020.

## NOTICE

Notice is hereby given that the 41st Annual General Meeting of **Honda India Power Products Limited** (the Company) will be held on **Wednesday, August 26, 2026**, at **12:00 noon** IST through Video Conferencing /Other Audio-Visual Means (VC/ OAVM), to transact the following business. The venue of the meeting shall be deemed to be the Registered Office of the Company at 409, Tower B, DLF Commercial Complex, Jasola, New Delhi-110025.

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements including Balance Sheet as at March 31, 2026 and the Reports of the Board of Directors and Auditors thereon.
2. To declare Final Dividend of Rs. 23/- per equity share of Rs.10/- each for the financial year ended March 31, 2026.
3. To appoint a Director in place of Mr. Akihiro Sakurai (DIN:10570035), who retires by rotation and being eligible, offers his candidature for re-appointment.

**SPECIAL BUSINESS**

4. **Approval for appointment of Mr. Sameer Jain, (DIN: 11737255) as the Whole Time Director of the Company and for the remuneration payable to him.**

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

   **"RESOLVED THAT** pursuant to the provisions of Sections 152, 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modifications or re-enactments thereof for the time being in force), Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR') as amended from time to time, and pursuant to the recommendations of the Nomination and Remuneration Committee and the Board of Directors and subject to any other approval, as may be required in this regard, the consent of the Members be and is hereby accorded for the appointment of Mr. Sameer Jain (DIN: 11737255), as the Whole Time Director (to be designated as Senior Vice President ,Whole Time Director & Chief Corporate Officer ) of the Company for a period of five (5) years with effect from September 01, 2026, liable to retire by rotation, on the terms and conditions including remuneration and perquisites as set out herein below:

| **Heads** | **Rs. /Per month** |
|---|---|
| Basic | 7,50,000/- |
| House rent allowance | 3,75,000/- |
| Special allowance | 27,200/- |
| Fuel reimbursement | 50,000/- |
| Leave travel concession | 62,500/- |
| Role allowance | 10,500/- |

   **RESOLVED FURTHER THAT** Mr. Jain is proposed to be entitled to the following perquisites and benefits, in accordance with the Company's policies and applicable laws:

   a) Personal Accident Insurance coverage of Rs. 20,00,000/- per annum;
   b) Medical Insurance for self and family coverage of Rs. 3,25,000/- per annum;
   c) Term Life Insurance coverage of Rs. 25,00,000/- per annum;
   d) Use of Company cars for self and family, including drivers and maintenance;
   e) Telephone reimbursement/facility;
   f) Contribution to the Provident Fund and the National Pension Scheme;
   g) Gratuity in accordance with applicable laws and the Company's policy;
   h) Variable pay, determined in accordance with the Company's rules and based on individual performance as well as the Company's performance against prescribed targets; and
   i) Leave encashment in accordance with the Company's leave encashment policy.

**RESOLVED FURTHER THAT** the above perquisites and benefits are recommended to be provided to Mr. Jain on such terms and conditions as may be prescribed by the Company from time to time.

**RESOLVED FURTHER THAT** the Board of Directors, which term shall include the duly constituted Committee of the Board, be and is hereby authorized to alter and vary from time to time during the tenure of appointment of Mr. Sameer Jain, the terms and conditions of appointment including as to 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. Sameer Jain, provided that the remuneration after such alteration shall not exceed the limits prescribed under the Companies Act, 2013.

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

5. **Ratification of remuneration of Cost Auditors.**

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

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, including any statutory modifications or re-enactments thereof for the time being in force, the remuneration of Rs.1,50,000 (Rupees One Lakh and Fifty Thousand only), plus applicable taxes and out-of-pocket expenses, payable to M/s Rakesh Singh & Co., Cost Accountants, Firm Registration Number 000247, appointed by the Board of Directors on the recommendation of the Audit Committee as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2027, be and is hereby ratified.

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

6. **Revision in Related Party Transaction with Honda Motor Co. Ltd., Japan for the Financial Year 2026-27.**

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

**"RESOLVED THAT** pursuant to the provisions of Regulations 2(1)(zc), 23(4) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI LODR"), the applicable provisions of the Companies Act, 2013 ("the Act") read with the rules made thereunder, and all other applicable laws, statutory provisions, circulars and guidelines, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the Company's Policy on Related Party Transactions, and pursuant to the recommendations and approvals of the Audit Committee and the Board of Directors (Board), approval of the Members be and is hereby accorded for revision of the existing approved limits for material related party transactions to be entered into by the Company with Honda Motor Co., Ltd., Japan ("HM"), during the financial year 2026-27, in respect of export sale of finished goods and spares from Rs. 4,500 Lakhs (Rupees Four Thousand Five Hundred Lakhs only) to Rs. 10,500 Lakhs (Rupees Ten Thousand Five Hundred Lakhs only) and payment of royalty from Rs. 4,200 Lakhs (Rupees Four Thousand Two Hundred Lakhs only) to Rs. 4,800 Lakhs (Rupees Four Thousand Eight Hundred Lakhs only), respectively, as more specifically detailed in the Explanatory Statement annexed hereto, on an arm's length basis and in the ordinary course of business, and on such terms and conditions as may be mutually agreed between HM and the Company.

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

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

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

7. **Related Party Transaction with respect to payment of royalty to Honda Motor Co. Ltd., Japan for the Financial Year 2027-28.**

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

**"RESOLVED THAT** pursuant to Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("SEBI LODR"), the applicable provisions of the Companies Act, 2013 ("the Act"), read with rules made thereunder, other applicable laws/statutory provisions, if any, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Company's Policy on Related Party Transactions, and based on the recommendations and approvals of the Audit Committee and the Board of Directors (Board) , approval of the Members of the Company be and is hereby accorded for the payment of royalty to Honda Motor Co., Ltd., (HM), a related party, for an amount not exceeding Rs. 4,700 Lakhs (Rupees Four Thousand and Seven Hundred Lakhs), for the financial year 2027-28, on such terms as may be mutually agreed between HM and the Company.

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

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

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

8. **Other Related Party Transaction(s) with Honda Motor Co. Ltd., Japan for the financial year 2027-28.**

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

**"RESOLVED THAT** pursuant to Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("SEBI LODR"), the applicable provisions of the Companies Act, 2013 ("the Act"), read with rules made thereunder, other applicable laws/statutory provisions, if any, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Company's Policy on Related Party Transactions, and further pursuant to the recommendation/approval of the Audit Committee and the Board of Directors (Board) , approval of the Members be and is hereby accorded to the Company for entering into Material Related Party Transactions/contracts/arrangements/ agreements , on an arm's length basis and in the ordinary course of business of the Company, with Honda Motor Co. Ltd., Japan (HM), for an amount not exceeding Rs. 29,400 Lakhs (Rs. Twenty Nine Thousand and Four Hundred Lakhs Only) for the financial year 2027-28, on such terms as may be mutually agreed between the HM and the Company.

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

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

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

9. **Related Party Transaction(s) with American Honda Motor Co. Inc. for the financial year 2026-27.**

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

**"RESOLVED THAT** pursuant to Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("SEBI LODR"), the applicable provisions of the Companies Act, 2013 ("the Act"), read with rules made thereunder, other applicable laws / statutory provisions, if any, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Company's Policy on Related Party Transactions, and further pursuant to the recommendation/approval of the Audit Committee and the Board of Directors (Board) ,approval of the Members be and is hereby accorded to the Company for entering into Material Related Party Transactions/contracts/arrangements/ agreements, on an arm's length basis and in the ordinary course of business of the Company, with American Honda Motor Co. Inc. (AH), w.r.t export sale of finished goods and spares and reimbursement received and paid including warranty expenses, for an amount not exceeding Rs. 15,200 Lakhs (Rupees Fifteen Thousand and Two Hundred Lakhs only) for the financial year 2026-27 on such terms as may be mutually agreed between the AH and the Company.

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

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

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

**10. Related Party Transaction(s) with American Honda Motor Co. Inc. for the financial year 2027-28.**

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

**"RESOLVED THAT** pursuant to Regulations 2(1)(zc), 23(4) and other applicable Regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("SEBI LODR"), the applicable provisions of the Companies Act, 2013 ("the Act"), read with rules made thereunder, other applicable laws / statutory provisions, if any, [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], the Company's Policy on Related Party Transactions, and further pursuant to the recommendation/approval of the Audit Committee and the Board of Directors (Board) ,approval of the Members be and is hereby accorded to the Company for entering into Material Related Party Transactions/contracts/arrangements/ agreements, on an arm's length basis and in the ordinary course of business of the Company, with American Honda Motor Co. Inc.,(AH), w.r.t sale of finished goods and related activities, for an amount not exceeding Rs. 12,400 Lakhs (Rupees Twelve Thousand and Four Hundred Lakhs only) for the financial year 2027-28 ,on such terms as may be mutually agreed between the AH and the Company.

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

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

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

By order of the Board

for **Honda India Power Products Limited,**
**Sd/-**
**Sunita Ganjoo**
**Company Secretary & Compliance Officer**

**Place : New Delhi**
**Date : July 30, 2026**

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

**NOTES:**

1. The Ministry of Corporate Affairs ('MCA') and the Securities Exchange Board of India ('SEBI') have vide its circular no. 14/2020 dated April 08, 2020, 20/2020 dated May 05, 2020, 2/2021 dated January 13, 2021, 19/2021 dated December 08, 2021, 21/2021 dated December 14, 2021, 2/2022 dated May 05, 2022, 10/2022 dated December 28, 2022, 09/2023 dated September 25, 2023, 09/2024 dated September 19, 2024 and 03/2025 dated September 22, 2025 (collectively referred to as 'MCA Circulars') permitted convening the Annual General Meeting ('AGM' or 'e-AGM') through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') without the physical presence of the Members of the Company at a common venue. In compliance with the MCA Circulars, provisions of the Companies Act, 2013 ('Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'), the AGM of the Company is being held through VC/OAVM. The deemed venue for the 41st AGM shall be the Registered Office of the Company.

2. The Explanatory Statement pursuant to Section 102(1) of the Act, setting out material facts concerning the Special Businesses to be transacted at the AGM, is annexed hereto and forms part of this Notice.

3. The Company has engaged the services of National Securities Depository Limited ('NSDL'), as the Authorized Agency for providing remote e-voting facility/ e-voting facility for casting the votes by the members during the meeting using an electronic voting system.

4. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy needs not be a member of the Company. Since this AGM is being held through VC/ OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this notice.

5. The relevant details, pursuant to Regulation 36(3) of SEBI LODR and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment and re-appointment at this AGM is annexed as annexure.

6. Members attending the AGM through VC/ OAVM shall be counted for the purpose of quorum under Section 103 of the Act, 2013.

7. In compliance with the aforesaid MCA Circulars and SEBI Master Circular No. HO/49/14/14(7)2025- CFD-POD2/I/3762/2026 dated January 30, 2026, the Notice of AGM and Annual Report along with login details for joining the AGM through VC / OAVM facility including e-voting are being sent only through electronic mode to those Members whose email address are registered with the Company or DP or RTA, unless the Members have registered their request for physical copy of the same. A letter providing the web-link for accessing the Notice of AGM and Annual Report, including the exact path, will be sent to those Members who have not registered their email address with the Company or DP or RTA. Members may note that this Notice of AGM and Annual Report will also be available on Company's website & Stock Exchange's website (www.bseindia.com and www.nseindia.com) and NSDL's website (https://www.evoting.nsdl.com/).

8. In order to enable the Company to comply with MCA Circulars and to participate in the green initiative in Corporate Governance, members are requested to register their email addresses in respect of shares held in electronic form with their Depository Participant(s) ('DPs') and in respect of shares held in physical form by sending duly filled and signed form ISR-1 available on website of the Registrar and Share Transfer Agent ('RTA') of the Company – **M/s Mas Services Limited, Unit: Honda India Power Products Limited,T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi-110020, Ph:- 011-26387281/82/83, email: -** investor@masserv.com**, Website:** www.masserv.com.

9. For receiving all communication (including Annual Report) from the Company electronically:

a) Members holding shares in physical mode and who have not registered/ updated their email address with the Company are requested to register/ update the same in accordance with the procedure mentioned in point no. 8 above.

b) Members holding shares in dematerialized mode are requested to register/ update their email address with their respective DPs.

10. The Institutional/ Corporate members intending to attend the AGM through authorized representatives are requested to send to NSDL/ Scrutinizer a certified true copy of the Board Resolution (PDF/ JPG format) authorizing their representative to attend the AGM through VC/ OAVM and vote on their behalf, by an email through its registered email address to cs.saryumunjal@gmail.com with a copy to evoting@nsdl.com. Alternatively, you can also upload the Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on 'Upload Board Resolution/ Authority Letter' tab displayed under 'E- Voting' tab in your login.

11. In case of joint holders attending the Meeting, only such joint holder who are higher in the order of names will be entitled to vote at the Meeting.

12. The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, August 20, 2026 to Wednesday, August 26, 2026 (both days inclusive)** for the purpose of AGM and payment of dividend.

    The Board recommended the Final Dividend @ 230% per share i.e. Rs. 23/- per equity share, subject to the approval of shareholders at the ensuing AGM.

    The dividend proposed shall be paid within 30 days from the date of declaration. The dividend after deduction of tax at source, if declared at the AGM, would be paid to those shareholders or their mandates:

A. whose names appear as beneficial owners as at the end of the business hours on Wednesday, August 19, 2026 (Record date /cut- off date ) in the list of beneficial owners to be furnished by NSDL and Central Depository Services (India) Limited ('CDSL') in respect of the shares held in electronic mode; and

B. whose names appear as members in the Register of Members of the Company/ RTA on or before August 19, 2026.

In accordance with the mandate issued by the Securities and Exchange Board of India (SEBI), all companies are required to use the bank account details of investors as provided by the Depositories or as available with the Registrar and Transfer Agent (RTA) for processing dividend payments through National Electronic Clearing Services (NECS).

13. a) 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 their PAN to their DP(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/ RTA.

b) In compliance of SEBI Master Circular No. SEBI/HO/MIRSD/MIRSD-PoD/P/CIR/2025/91 dated June 23, 2025 has directed all the listed companies to update Bank Account details and PAN of the Members holding shares in physical form. It has been observed that many of the Members holding physical shares have not updated the Bank Details. Therefore, such Members are requested to send the following documents to the Company's RTA:

- Original cancelled cheque bearing the name of the security holder; or
- Bank passbook/ statement attested by the Bank

Kindly note that the RTA shall proceed with the updating of bank details based on the documents provided by the first holder only, in case of joint holding.

c) Online Dispute Resolution (ODR) Portal is introduced by SEBI vide its Master Circular SEBI/ HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated August 11, 2023, which is in addition to the existing SCORES 2.0 portal which can be utilized by the investors and the Company for dispute resolution. Please note that the investors are advised to initiate dispute resolution through the ODR portal only if the Company does not resolve the issue itself or it is not resolved through SCORES 2.0 portal.

14. SEBI has mandated furnishing of PAN linked with Aadhaar, KYC details (i.e. Postal Address with PIN Code, email address, mobile number, bank account details & specimen signature) and nomination details by holders of securities in physical form.

Any service request or complaint received from the Member will not be processed until the aforesaid details/documents are provided to RTA. Further, any payment of dividend shall only be made in electronic mode to such Members.

15. To enable compliance with TDS requirement on Dividend, Members are requested to complete and/ or update their Residential Status, PAN, Category as per the Income Tax Act, 1961 with their DP(s) or in case shares are held in physical form, with the RTA by submitting form ISR-1 as mentioned in point no. 9 above.

16. Members are requested to note that pursuant to the provisions of Section 124 of the Act, dividends, if not encashed for a consecutive period of 7 years from the date of transfer to the Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

The Company has already transferred unclaimed dividends up to the financial year 1994 - 95 to the General Revenue Account of the Central Government, and for the financial years 1995-96 to 2017-18 to IEPF. Following are the details of dividends paid by the Company and respective due dates for transfer of unclaimed dividend to IEPF:

| Dividend year | Date of Declaration | Due date for transfer to IEPF |
|---|---|---|
| 2018-19 | 07.08.2019 | 06.09.2026 |
| 2019-20 | 21.09.2020 | 20.10.2027 |
| 2020-21 | 21.09.2021 | 20.10.2028 |
| 2021-22 | 26.09.2022 | 25.10.2029 |
| 2022-23 | 10.08.2023 | 09.09.2030 |
| 2023-24 | 05.09.2024 | 04.10.2031 |
| 2024-2025 (Interim) | 10.02.2025 | 09.02.2032 |
| 2025-2026 (Interim) | 12.08.2025 | 11.08.2032 |
| 2025-2026 | 25.09.2025 | 24.09.2032 |
| 2025-2026 (Interim) | 13.02.2026 | 11.02.2033 |

In terms of provisions of Section 124(6) of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shares on which dividend has remained uncashed/unclaimed for a continuous period of last seven years i.e., from F.Y. 2018-19 shall be transferred by the Company to IEPF.

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

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

Further, the Company shall not be in a position to entertain the claims of the Shareholders for the unclaimed dividends, which have been transferred to the credit of IEPF. Accordingly, the Shareholders are advised to claim uncashed dividend(s), if any, pertaining to the year 2018-19 up to 2025-26 and send a request in this regard to our RTA before the due dates for transfer to IEPF.

17. Section 72 of the Act and Rule 19 of the Companies (Share Capital & Debenture) Rules, 2014 has extended the nomination facility to individual shareholders holding shares in physical form. Shareholders are requested to avail the above facility by submitting prescribed Nomination Form SH-13 to the Company/ RTA.

18. Member(s) of the Company who hold shares in physical form and have multiple accounts in identical name(s) or are holding more than one share certificate in the same name under different ledger folio (s) are requested to apply for consolidation of such folio(s).

19. Pursuant to the Finance Act 2020, dividend income is taxable in the hands of Shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to Shareholders at the prescribed rates. For the prescribed rates for various categories, the Shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The Shareholders are requested to update their PAN with the Company/ Company's RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

20. A Resident individual Shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to investor@masserv.com / ho.legal@hipp.co.in by 11:59 p.m. IST on August 19, 2026. Shareholders are requested to note that if their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident Shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to investor@masserv.com / ho.legal@hipp.co.in.

21. Member(s) may kindly note that SEBI vide its Circular dated January 30, 2026, in a move aimed at enhancing investor convenience and safeguarding the rights of investors, has announced the opening of a special window for Transfer and Dematerialization of Physical Securities. This special initiative, detailed in SEBI, will be active from February 05, 2026, to February 04, 2027. This window offers a significant opportunity for investors who, for various reasons, could not complete the transfer of physical shares prior to SEBI's deadline of April 1, 2019.

22. SEBI has decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. In view of the above and to avail various benefits of dematerialization, members are advised to dematerialize shares held by them in physical form.

23. Members holding shares in electronic form are requested to intimate all changes pertaining to their details, ECS mandates, email addresses, nominations, power of attorney, change of address/ name etc. to their DPs. Any changes effected by the DPs will be automatically reflected in the record maintained by the Depositories.

24. Please send all correspondence including requests for transfer/ transmission of shares, change of address and dividend etc. to **M/s Mas Services Limited,** Unit: Honda India Power Products Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi – 110020, Phone: 011-26387281/82/83, Email: investor@ masserv.com, Website: www.masserv.com.

25. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or RTA or the concerned DP(s), as the case may be: -

    a. The change in the residential status on return to India for permanent settlement.

    b. The particulars of the NRE Account with a bank in India, if not furnished earlier.

26. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned DPs and holdings should be verified.

27. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or arrangements in which directors are interested, maintained under Section 189 of the Act and the relevant documents referred to in the Notice and Annual Report will be available for inspection electronically by the members of the Company during the AGM. Documents referred to in the accompanying Notice are open for inspection on the website at www.hondaindiapower.com and at the Registered Office of the Company during normal business hours (9:00 AM to 5:00 PM) on any working day, except Saturday and Sunday, upto the date of AGM of the Company.

28 **Voting through electronic means**

    I. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of SEBI LODR, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the 41st AGM by electronic means and the business may be transacted through e-Voting Services ('Remote e-Voting'). The members who have cast their votes by Remote e-Voting prior to the AGM may also participate in the AGM through VC/ OAVM via link provided in their login ids but shall not be entitled to cast their vote again.

II. The process and manner for Remote e-Voting are as under:

**Step 1: Access to the NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding shares in demat mode**

In terms of SEBI Circular dated December 09, 2020, on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

| Type of shareholder | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | 1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., verification code and generate OTP. Enter the OTP received on registered email id/ mobile number and click login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>2. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. On the e-Services home page click on the 'Beneficial Owner' icon under 'Login' which is available under 'IDeAS' section, this will prompt you to enter value added services. Click on 'Access to e-Voting' under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>3. If you are not registered for IDeAS e-Services, option to register is available at https:// eservices.nsdl.com. Select 'Register Online for IDeAS Portal' or click at https:// eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/ Member' section. A new screen will be opened. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password/ OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.<br>5. Shareholders/ Members can also download NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience |
| | **NSDL Mobile App is available on**<br>App Store Google Play |
| Individual Shareholders holding securities in demat mode with CDSL | 1. Users who have opted for CDSL Easi/ Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi/ Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing my easi username & password. |

| | |
|---|---|
| | 2. After successful login the Easi/ Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.<br>3. If the user is not registered for Easi/ Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.<br>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & email as recorded in the Demat Account. After successful authentication, users will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/ CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. |

**Important note**: Members who are unable to retrieve User ID/ Password are advised to use Forgot User ID and Forgot Password option available at above mentioned websites.

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

| Login Type | Helpdesk Details |
|---|---|
| Individual Shareholders holding shares in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022-4886 7000 |
| Individual Shareholders holding shares in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800-21-09911 |

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

How to Log-in to NSDL e-Voting website ?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL https://www.evoting.nsdl.com either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholder/ Member' section.
3. A new screen will be opened. You will have to enter your User ID, your Password/ OTP and a verification code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

| Manner of holding shares i.e Demat (NSDL or CDSL) or Physical. | Your User ID is: |
|---|---|
| a) For Members who hold shares in demat account with NSDL | 8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12****** |
| b) For Members who hold shares in demat account with CDSL | 16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12************** |
| c) For Members holding shares in Physical Form | EVEN Number followed by Folio Number registered with the Company For example, if folio number is 001*** and EVEN is 139935 then user ID is 101456001*** |

6. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will prompt you to change your password.
   c) How to retrieve your 'initial password' ?
      (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and then open the pdf attachment. The password to open the pdf file is your 8-digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The pdf file contains your 'User ID' and your 'initial password'
      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
7. If you are unable to retrieve or have not received the 'Initial password' or have forgotten your password:
   a) Click on 'Forgot User Details/ Password' (if you are holding shares in your demat account with NSDL or CDSL) option available on www. evoting.nsdl.com.
   b) Physical User Reset Password (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by the aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/ folio number, your PAN, your name and your registered address etc. d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password/ OTP, tick on Agree to 'Terms and Conditions' by selecting on the check box.
9. Now, you will have to click on 'Login' button.
10. After you click on the 'Login' button, home page of e-Voting will open.

**Step 2: Cast your vote electronically**

1. After successful login at Step 1, you will be able to see all the companies 'EVEN' in which you are holding shares and whose voting cycle and General Meeting is currently active status.
2. Select E-Voting Event Numbers 'EVENs' -139935 for Honda India Power Products Limited to cast your vote during the e-Voting period and casting your vote during the meeting. For joining virtual meeting, you need to click on 'VC/ OAVM' link placed under 'Join Meeting'.
3. Now you are ready for e-Voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/ modify the number of shares for which you wish to cast your vote and click on 'Submit' and also 'Confirm' when prompted.
5. Upon confirmation, the message 'Vote cast successfully' will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**Step 3: Join the General Meeting through VC/ OAVM on NSDL system**

All the members will be provided with a facility to attend the AGM through VC/ OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of 'VC/ OAVM link' placed under 'Join Meeting' menu against company name.

You are requested to click on VC/ OAVM link placed under Join Meeting menu. The link for VC/ OAVM will be available in Shareholder/ Member login where the EVENs of Company will be displayed. Please note that the members, who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password, may retrieve the same in advance by following the remote e-Voting instructions mentioned in the notice, to avoid last minute rush.

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

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

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

IV. In case of any query and/ or grievance, in respect of voting by electronic means, members may refer to the Help & Frequently Asked Questions (FAQs) and e-Voting user manual available at the download section of www. evoting.nsdl.com or call on 022-4886 7000 or send an e-mail to NSDL at evoting@nsdl.com.

V. The Remote e-Voting period commences on Sunday, August 23, 2026 (09:00 am IST) and ends on Thursday day, August 25, 2026 (05:00 pm IST). During this period, members of the Company holding shares either in physical form or in dematerialized form, as on the cutoff date i.e. **August 19, 2026**, may cast their vote by Remote e-Voting. The Remote e-Voting Module shall be disabled by NSDL for voting thereafter from their e-Voting module.

VI. 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 only shall be entitled to avail the facility of Remote e-Voting as well as voting during the AGM. A person who is not the member on cut-off date should treat this Notice for information purpose only.

VII. The voting rights of members shall be in proportion to their shareholding in the Paid-up Equity Share Capital of the Company as on the cut-off date i.e. **August 19, 2026**.

VIII. Process for procuring user ID and password for e-voting for those shareholders whose email IDs are not registered with the depositories/ Company:

A. In case shares are held in physical mode Please complete PAN-KYC by using form ISR-1, and form ISR-2 which you can download from the website of RTA i.e. www.masserv.com and send the same alongwith require documents to RTA i.e. Mas Services Limited T-34 2nd Floor, Okhla Industrial Area Phase-II, New Delhi 110020.

B. In case shares are held in demat mode, please update your email id with your DP (depository Participant) and generate password as per e-voting instructions given above.

C. Alternatively, shareholder/ members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.

IX. Miscellaneous Process/ Notes

A. Members are encouraged to join the Meeting through Laptops for better experience.

B. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

C. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

D. Facility to join the e-AGM shall be opened 30 minutes before the time scheduled for the AGM and shall be kept open throughout the proceedings of the AGM.

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

F. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company so as to reach them at least 7 (seven) days before the date of the AGM, through e-mail on ho.legal@hipp.co.in The same will be replied to by the Company suitably.

G. Facility of joining the AGM through VC/ OAVM shall be available for 1000 members on first come first serve basis. However, participation of members holding 2% or more shares, Promoters and Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.

X. Ms. Saryu Munjal of M/s Saryu Munjal & Associates, Company Secretaries in Practice, has been appointed as Scrutinizer to scrutinize the Remote e-Voting and voting during the meeting process in a fair and transparent manner.

XI. The Scrutinizer shall, after the conclusion of voting at the AGM, unblock the votes cast through Remote e-Voting and voting during the meeting and shall make, not later than 2 working days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith. No gift(s), gift coupon(s) or cash in lieu of gift(s) shall be distributed to members in connection with the Meeting.

XII. The results declared along with the Scrutinizer's Report shall be placed on Company's website www. hondaindiapower. com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 AND ADDITIONAL INFORMATION AS REQUIRED UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND CIRCULARS ISSUED THEREUNDER:**

The following Statement sets out all material facts relating to the special business proposed in this Notice:

**ITEM NO. 4**

**Approval for appointment and payment of remuneration to Mr. Sameer Jain as the Whole Time Director of the Company.**

**Context and rationale**

In view of the superannuation of Mr. Vinay Mittal, Whole Time Director, effective from the close of business hours on September 30, 2026, it was considered prudent to appoint another Whole Time Director in his place, with a one-month overlap to facilitate a smooth transition.

Accordingly, the Nomination and Remuneration Committee, after evaluating the skills, expertise, and competencies required for the Board in alignment with the Company's business, has recommended the appointment of Mr. Sameer Jain. The Board of Directors is of the considered opinion that his knowledge and professional acumen will be of immense value to the Company, and accordingly at its meeting held on May 26, 2026, approved the appointment of Mr. Sameer Jain (DIN: 11737255) as the Whole-Time Director - designated as Sr. Vice President, Whole Time Director & Chief Corporate Officer for a term of five (5) consecutive years from September 01, 2026 to August 31, 2031, subject to the approval of the Members.

Mr. Jain is a Member of the Institute of Chartered Accountants of India and the Institute of Cost Accountants of India. He joined Honda Cars India Limited (HCIL), Associate Company, in 2009 in the Business Strategy & Finance Department. During his tenure with HCIL, he has held key positions across business planning, budgeting, costing, pricing strategy, evaluation of new models, cash flow management, banking and treasury operations, and domestic and international tax compliances and litigations. He has played a pivotal role in strategic initiatives, strengthening business processes, and supporting profitable operations.

Mr. Jain shall discharge such duties as may be entrusted to him by the Management and/or the Board of Directors from time to time and exercise such powers as may be assigned to him, subject to the superintendence, control, and directions of the Board, in the best interest of the Company.

The Company has received a notice under Section 160 of the Companies Act, 2013 ("the Act") proposing his candidature as Director. Mr. Jain is neither disqualified under Section 164 of the Act nor debarred from holding office by virtue of any SEBI order or any other authority. He has furnished all requisite declarations, confirmations, and his consent to act as Director.

Considering his extensive experience and leadership capabilities, the Board recommends his appointment as Whole Time Director (designated as Sr. Vice President, Whole Time Director & Chief Corporate Officer) as being in the best interest of the Company.

Consequently, Mr. Vinay Mittal shall step down from the position of Whole Time Director of the Company with effect from close of business hours on August 31, 2026.

Requisite information/disclosures, including brief profile and experience of Mr. Jain, as required under Regulation 36 of the SEBI LODR read with Secretarial Standard-2 (SS-2) on "General Meetings" issued by the Institute of Company Secretaries of India, are provided in **Annexure I** to the Notice.

A copy of the terms and conditions of appointment between Mr. Jain and the Company will be available for inspection by Members, without fee, up to the date of the AGM. Members may write to **ho.legal@hipp.co.in** for inspection.

None of the Directors or Key Managerial Personnel of the Company or their relatives are, in any way, financially or otherwise concerned or interested in the Resolution, except to the extent of their shareholding in the Company, if any.

The Board of Directors recommends the Ordinary Resolution set out at Item No. 4 of the accompanying Notice for approval of the Members.

**ITEM NO. 5**

**Ratification of remuneration of Cost Auditors.**

**Context and rationale**

As recommended by the Audit Committee, the Board of Directors of the Company in its meeting held on May 26, 2026 has, based upon the eligibility and consent to act as such, re-appointed the Cost Accountants, M/s. Rakesh Singh & Co., as the Cost Auditors for conducting the cost audit of the Company for the financial year ending March 31, 2027, at a remuneration of Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand only) (plus applicable taxes and reimbursement of out-of-pocket expenses).

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

Accordingly, consent of the Members is sought by way of Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration to be paid to M/S Rakesh Singh & Co., the Cost Auditors, for conducting the audit of the cost records of the Company for the financial year ending March 31, 2027.

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

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

**Item Nos. 6, 7 & 8**

**Context & rationale**

**Revision/approval of Material Related Party Transactions with Honda Motor Co., Ltd., Japan.**

Pursuant to Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), material related party transactions require prior approval of the shareholders by way of an Ordinary Resolution. A transaction is considered material if, whether individually or taken together with previous transactions during a financial year:

- In respect of royalty, the aggregate value of the transaction(s) exceeds five percent (5%) of the annual consolidated turnover of the listed entity;
- In respect of all other related party transactions, the aggregate value exceeds ten percent (10%) of the annual consolidated turnover of the listed entity as per the last audited financial statements.

Members may note that Honda Motor Co., Ltd., Japan ("HM"), the Holding Company of the Company, is a Related Party within the meaning of Section 2(76) of the Companies Act, 2013 ( "the Act") and Regulation 2(1)(zb) of the SEBI LODR. In the ordinary course of its business, the Company has entered into and continues to enter into various agreements, arrangements and transactions with HM.

**Item No. 6**

**Revision in Related Party Transaction with respect to export sale of finished goods and spares and payment of royalty to Honda Motor Co. Ltd., Japan for the Financial Year 2026-27.**

The Members of the Company, at the 40th Annual General Meeting held on September 25, 2025, had approved material related party transactions with Honda Motor Co. Ltd., Japan ("HM") for the financial year 2026-27 within the limits approved therein.

Subsequent to obtaining the said approval, the Company has witnessed a significant increase in export demand and business opportunities with HM as well as other export buyers, resulting in a corresponding increase in the value of transactions proposed to be undertaken during FY 2026-27. Based on the revised business projections, the transaction limits already approved by the Members are expected to exceed.

Accordingly, the Audit Committee and the Board of Directors, at their respective meetings held on July 30, 2026, reviewed and approved the proposal for revision of the previously approved limits for the following transactions with HM for the financial year 2026-27, subject to the approval of the Members at the ensuing Annual General Meeting:

Rs in lakhs

| Transactions | Value already approved | Additional approval sought | Total Value |
|---|---|---|---|
| Export sale of finished goods & Spares | 4,500 | 6,000 | 10,500 |
| Royalty | 4,200 | 600 | 4,800 |

The proposed enhancement in transaction limits is expected to support the Company's business growth, improve capacity utilization, increase export revenues and profitability, and is in the best interests of the Company and its stakeholders.

SEBI vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025 ('Circular'), has mandated listed companies to follow Industry Standards on 'Minimum Information to be provided to the Audit Committee and Members for approval of Related Party Transactions' ('RPTs') ('ISF Note').

The Management has provided the Audit Committee with relevant details as required under the ISF Note. After considering the same, the Audit Committee and the Board of Directors have approved the proposed material RPTs with HM, noting that these transactions will be carried out at arm's length and in the ordinary course of business. The Audit Committee at its meeting held on July 30, 2026, has reviewed and taken note of the certificate duly signed by CEO and CFO of the Company confirming that the terms of RPTs proposed to be entered into are in the interest of the Company.

None of the Directors and/ or Key Managerial Personnel of the Company and/or their respective relatives in any way, concerned or interested, financially or otherwise, except to the extent of their shareholding in the Company, if any, in the resolution mentioned at Item No. 6 of the Notice.

However, Mr. Shigeki Iwama, Mr. Vinay Mittal, Mr. Akihiro Sakurai and Mr. Yasuhiro Takabatake may deem to be concerned/interested in their capacity being nominees of HM.

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

The information as required under the ISF Note for approval of revision in RPTs with HM, as placed before the Audit Committee has been incorporated below along with minimum information for the Members for approval of material RPTs:

| **Part A: Minimum information of the proposed Related Party Transactions (RPT)** | | |
|---|---|---|
| **A (1) Basic details of the related party** | | |
| **S No** | **Particulars of the information** | **Information provided by the management** |
| 1 | Name of the related party | **Honda Motor Co. Ltd. ('HM')** |
| 2 | Country of incorporation of the related party | Japan |
| 3 | Nature of business of the related party | Development, manufacturing and marketing of automobiles, motorcycles and power products etc. |

| A (2) | Relationship and ownership of the related party | |
|---|---|---|
| **S No** | **Particulars of the information** | **Information provided by the management** |
| 1 | Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following:<br>• Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.<br>• Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).<br>• Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary). | • Nil<br>• Not Applicable<br>• Related Party (HM) is holding 66.67% shareholding of the entity. |

<table>
<tr><th colspan="3">A (3) Details of previous transactions with the related party</th></tr>
<tr><th>S No</th><th>Particulars of the information</th><th>Information provided by the management</th></tr>
<tr><td>1</td><td>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year.</td><td>
<table>
<tr><th>S No</th><th>Nature of Transactions</th><th>FY 2025-26 Rs in lakhs</th></tr>
<tr><td>1</td><td>Export Sale of finished goods & Spares</td><td>1,727</td></tr>
<tr><td>2</td><td>Export Commission</td><td>1,348</td></tr>
<tr><td>3</td><td>Royalty</td><td>3.365</td></tr>
<tr><td>4</td><td>Technical Guidance Fee</td><td>178</td></tr>
<tr><td>5</td><td>Purchase of Raw Material, Components, Consumables, Finished Goods and Spare parts</td><td>3,471</td></tr>
<tr><td>6</td><td>Purchase of Capital Goods</td><td>74</td></tr>
<tr><td>7</td><td>Reimbursement received and paid including warranty expenses</td><td>1,151</td></tr>
</table>
</td></tr>
<tr><td>2</td><td>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.</td><td>Rs 2,916 lakhs<br>(For April 2026 to June 2026)</td></tr>
<tr><td>3</td><td>Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.</td><td>No</td></tr>
</table>

<table>
<tr><th colspan="3">A (4) Amount of the proposed transaction(s)</th></tr>
<tr><th>S No</th><th>Particulars of the information</th><th>Information provided by the management</th></tr>
<tr><td>1</td><td>Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.</td><td>Approval already received in last AGM for total transaction value of Rs 20,190 lakhs.<br>Based on the revised forecast enhancement is required for following transactions:<br>Rs in lakhs
<table>
<tr><th>Transactions</th><th>Value Already approved in last AGM</th><th>Additional approval sought</th><th>Total Value</th></tr>
<tr><td>Export Sale of finished goods & Spares</td><td>4,500</td><td>6,000</td><td>10,500</td></tr>
<tr><td>Royalty</td><td>4,200</td><td>600</td><td>4,800</td></tr>
</table>
Approval value of other transactions will remain same.<br>Total approval value after this proposal shall be Rs. 26,790 lakhs.</td></tr>
</table>

<table>
<tr><td>2</td><td>Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?</td><td>Yes</td></tr>
<tr><td>3</td><td>Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year (FY 2025-26)</td><td>30.95%</td></tr>
<tr><td>4</td><td>Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)</td><td>Not Applicable</td></tr>
<tr><td>5</td><td>Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.</td><td>0.10%</td></tr>
<tr><td>6</td><td>Financial performance of the related party for the immediately preceding financial year (FY 2025-26)</td><td>
<table>
<tr><th>Particulars</th><th>FY 2025-26<br>(Rs in lakhs)*</th></tr>
<tr><td>Turnover</td><td>25,886,565</td></tr>
<tr><td>Profit After Tax</td><td>-11,44,414</td></tr>
<tr><td>Net worth</td><td>11,137,404</td></tr>
</table>
<ul><li>JPY Converted to INR using the exchange rate as on 30 March 2026 (Source: MUFG Bank) and is for all business segments.</li></ul>
</td></tr>
</table>

<table>
<tr><th colspan="2">A (5) Basic details of the proposed transaction</th><th></th></tr>
<tr><th>S No</th><th>Particulars of the information</th><th>Information provided by the management</th></tr>
<tr><td>1</td><td>Specific type of the proposed transaction for approval</td><td>a. Export sale of finished goods and spares<br>b. Payment of royalty</td></tr>
<tr><td>2</td><td>Details of each type of the proposed transaction</td><td>Value to be enhanced for the proposed transactions due to revised forecast
<table>
<tr><td>a) Export sale of finished goods and spares</td><td>Sale of power products and spare parts to the related party for further sale</td></tr>
<tr><td>b) Payment of royalty</td><td>Royalty is paid on sale of manufactured goods.</td></tr>
</table>
</td></tr>
<tr><td>3</td><td>Tenure of the proposed transaction (tenure in number of years or months to be specified)</td><td>1st September 2026 to 31st March 2027 (Seven months)</td></tr>
<tr><td>4</td><td>Whether omnibus approval is being sought?</td><td>No</td></tr>
<tr><td>5</td><td>Value of the proposed transaction during a financial year.<br>If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.</td><td>Rs in lakhs
<table>
<tr><th>Transactions</th><th>Value Already approved in last AGM</th><th>Additional approval sought</th><th>Total Value</th></tr>
<tr><td>Export Sale of finished goods & Spares</td><td>4500</td><td>6,000</td><td>10,500</td></tr>
<tr><td>Royalty</td><td>4200</td><td>600</td><td>4800</td></tr>
</table>
All proposed transactions are for current financial year FY 2026-27.<br><br>Approval value of other transactions will remain same</td></tr>
<tr><td>8</td><td>A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee</td><td>Not applicable</td></tr>
</table>

| | | |
|---|---|---|
| 9 | Other information relevant for decision making. | The Audit Committee and Board of Directors of the Company, which consists of independent directors from diverse domains, have evaluated and unanimously approved the proposed related party transaction at their respective meetings. |

**Part B**

**B(1) Disclosure *only* in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances**

| S No | Particulars of the information | Information provided by the management |
|---|---|---|
| 1 | Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services. | Rs in lakhs<br>Export sale of finished goods and spares: Not applicable: These models are manufactured exclusively for the related party based on standards of the particular country and cannot be sold to any other customers as it is. |
| 2 | Basis of determination of price. | Cost plus basis. |
| 3 | In case of Trade advance (*of upto 365 days or such period for which such advances are extended as per normal trade practice*) , if any, proposed to be extended to the related party in relation to the transaction, specify the following:<br>a. Amount of Trade advance<br>b. Tenure<br>c. Whether same is self-liquidating? | Not Applicable |

**B(7). Disclosure *only* in case of transactions relating to payment of royalty**

| S No | Particulars of the information | Information provided by the management |
|---|---|---|
| 1 | Purpose for which royalty is proposed to be paid to the related party in the current financial year. | **Information provided by the management** |
| | a. For use of brand name / trademark<br>b. For transfer of technology know-how | 6% of net ex-factory sale price of manufactured goods.<br>Net ex-factory sale price defines sales price less the cost of bought out components and cost of imports, all commissions paid, freight and duties.<br>Effective rate ranges between 4% to 4.5% of Net Sales. |
| | c. For professional fee, corporate management fee or any other fee | Nil |
| | d. *Any other use (specify)* | Nil |
| 2 | a) The listed entity may confirm whether the parent company charges royalty at a uniform rate from all group companies in other jurisdiction.<br>b) If No, furnish information below.<br>If royalty is paid to the parent company, disclose royalty received by the parent company from group entities in other jurisdiction:<br>• Minimum rate of royalty charged along with corresponding absolute amount<br>• Maximum rate of royalty charged along with corresponding absolute amount | No<br>• 1% of shipment value (from other entities where only assembly is done) (Rs 942 lakhs)<br>• 6.5% of shipment value (for manufacturing entities) (Rs 4,577 lakhs)<br>(These rates are of group companies dealing in power products for FY 2025-26) |
| 3 | Sunset Clause for Royalty payment, if any. | No sunset clause |

**PART C**

**C(6) Disclosure *only* in case of transactions relating to payment of royalty**

| S No | Particulars of the information | Information provided by the management |
|---|---|---|

<table>
<tr><td>1</td><td>Gross amount of royalty paid by the listed entity or subsidiary to the related party during each of the last three financial years</td><td></td></tr>
<tr><td></td><td>FY 2025-26</td><td>Rs 3,365 lakhs</td></tr>
<tr><td></td><td>FY 2024-25</td><td>Rs 3,178 lakhs</td></tr>
<tr><td></td><td>FY 2023-24</td><td>Rs 3,747 lakhs</td></tr>
<tr><td>2</td><td>Purpose for which royalty was paid to the related party during the last three financial years.</td><td>For use of intellectual property rights and the technical knowhow owned by the related party.</td></tr>
<tr><td></td><td>a. For use of brand name / trademark</td><td>Whole of Royalty</td></tr>
<tr><td></td><td>b. For transfer of technology know-how</td><td></td></tr>
<tr><td></td><td>c. For professional fee, corporate management fee or any other fee</td><td>Nil</td></tr>
<tr><td></td><td>d. Any other use (specify)</td><td>Nil</td></tr>
<tr><td>3</td><td>Royalty paid in last 3 FYs as % of Net Profits of previous FYs</td><td></td></tr>
<tr><td></td><td>FY 2025-26</td><td>31%</td></tr>
<tr><td></td><td>FY 2024-25</td><td>26%</td></tr>
<tr><td></td><td>FY 2023-24</td><td>32%</td></tr>
<tr><td>4</td><td>Percentage or Rate at which royalty has increased in the past 3 years, if any, vis-à-vis rate at which the turnover and profits after tax have increased during the same period.</td><td><table>
<tr><th>Financial Year</th><th>Royalty Rate Increase</th><th>Royalty amount increase</th><th>Turnover increase</th><th>Profit after tax increase</th></tr>
<tr><td>FY 2025-26</td><td>Nil</td><td>+6%</td><td>+9%</td><td>-20%</td></tr>
<tr><td>FY 2024-25</td><td>Nil</td><td>-15%</td><td>-20%</td><td>-13%</td></tr>
<tr><td>FY 2023-24</td><td>Nil</td><td>-16%</td><td>-21%</td><td>8%</td></tr>
</table>
Since royalty is paid only on the sales of manufactured products and turnover includes the sales of manufactured as well as traded products, changes in turnover and royalty cannot be co-related.</td></tr>
<tr><td>5</td><td>Peer Comparison:<br>Listed entity or its subsidiary paying royalty for any purpose shall also disclose whether any relevant Industry Peer pays royalties for the same purpose, which is disclosed in its audited annual financial statements for the relevant period:</td><td>The Company has diversified portfolio spanning portable Gensets, Agriculture equipments, Construction equipments and Marine products. The Company caters to domestic as well export markets, therefore its product ecosystem distinguish it significantly from its Indian counterparts, which typically differ in scale, business model and geographical focus. While there may be limited overlap in certain segments, these entities are not directly comparable in terms of business nature or strategic positioning. Accordingly, the Company is unable to provide a meaningful peer comparison.</td></tr>
</table>

**Item Nos. 7 & 8**

**Context & rationale**

**Payment of Royalty and entering into other material Related Party Transactions with Honda Motor Co., Ltd., Japan for the FY 2027-28.**

Since the aggregate value of the proposed contracts/arrangements/transactions with Honda Motor Co., Ltd., Japan (**"**HM") during FY 2027–28 is expected to exceed the applicable materiality thresholds prescribed under Regulation 23 of the SEBI LODR, prior approval of the Members is required and is accordingly proposed to be sought by way of an Ordinary Resolution.

The material related party transactions set out at Item Nos. 7 and 8 of this Notice have been unanimously approved by the Audit Committee and the Board of Directors at their respective meetings held on May 26, 2026. Pursuant to Regulation 23 of the SEBI LODR, all material related party transactions require approval of the Members through an Ordinary Resolution. Further, no related party shall vote to approve such resolutions, whether the entity is a related party to the particular transaction or not.

Accordingly, approval of the Members of the Company is sought for the proposed material related party transactions with HM, as set out in Item Nos. 7 and 8 of this Notice.

None of the Directors and/ or Key Managerial Personnel of the Company and/or their respective relatives in any way, concerned or interested, financially or otherwise, except to the extent of their shareholding in the Company, if any, in the resolutions mentioned at Item No. 7 & 8 of the Notice.

However, Mr. Shigeki Iwama, Mr. Vinay Mittal, Mr. Akihiro Sakurai and Mr. Yasuhiro Takabatake may deem to be concerned/interested in their capacity being nominees of HM.

SEBI vide its Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025 ('Circular'), has mandated listed companies to follow Industry Standards on 'Minimum Information to be provided to the Audit Committee and Members for approval of Related Party Transactions' ('RPTs') ('ISF Note').

The Management has provided the Audit Committee with relevant details as required under the ISF Note. After considering the same, the Audit Committee and the Board of Directors have approved the proposed material RPTs with HM, noting that these transactions will be carried out at arm's length and in the ordinary course of business. The Audit Committee at its meeting held on May 26, 2026, has reviewed and taken note of the certificate duly signed by CEO and CFO of the Company confirming that the terms of RPTs proposed to be entered into are in the interest of the Company.

The Board recommends the ordinary resolutions set forth in Item no. 7 & 8 of the Notice for the approval of the Members.

The information as required under the ISF Note for approval of RPTs with HM, as placed before the Audit Committee has been incorporated below along with minimum information for the Members for approval of material RPTs:

| **Part A: Minimum information of the proposed Related Party Transactions (RPT)** | | |
|---|---|---|
| **A (1) Basic details of the related party** | | |
| **S No** | **Particulars of the information** | **Information provided by the management** |
| 1 | Name of the related party | **Honda Motor Co. Ltd. ('HM')** |
| 2 | Country of incorporation of the related party | Japan |
| 3 | Nature of business of the related party | Development, Manufacturing and Marketing of Automobiles, Motorcycles and Power Products etc. |

| **A (2)** | **Relationship and ownership of the related party** | |
|---|---|---|
| **S No** | **Particulars of the information** | **Information provided by the management** |
| 1 | Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following:<br>• Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.<br>• Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).<br>• Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary). | • Nil<br>• Not Applicable<br>• Related Party (HM) is holding 66.67% shareholding of the entity. |

<table>
<tr><td colspan="3">A (3) Details of previous transactions with the related party</td></tr>
<tr><td>S No</td><td>Particulars of the information</td><td>Information provided by the management</td></tr>
<tr><td>1</td><td>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year.</td><td>
<table>
<tr><td>S No</td><td>Nature of Transactions</td><td>FY 2025-26 Rs in lakhs *</td></tr>
<tr><td>1</td><td>Export Sale of finished goods & Spares</td><td>1,727</td></tr>
<tr><td>2</td><td>Export Commission</td><td>1,348</td></tr>
<tr><td>3</td><td>Royalty</td><td>3.365</td></tr>
<tr><td>4</td><td>Technical Guidance Fee</td><td>178</td></tr>
<tr><td>5</td><td>Purchase of Raw Material, Components, Consumables, Finished Goods and Spare parts</td><td>3,471</td></tr>
<tr><td>6</td><td>Purchase of Capital Goods</td><td>74</td></tr>
<tr><td>7</td><td>Reimbursement received and paid including warranty expenses</td><td>1,151</td></tr>
</table>
* Transaction undertaken during last audited financial year</td></tr>
</table>

| | | |
|---|---|---|
| 2 | Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought. | Rs 11,314 lakhs<br>(For FY 2025-26) |
| 3 | Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year. | No |

**A (4) Amount of the proposed transaction(s)**

| S No | Particulars of the information | Information provided by the management |
|---|---|---|
| 1 | Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders. | Rs. 34,100 lakhs |
| 2 | Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT? | YES |
| 3 | Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year (FY 2025-26) | 39.4% |
| 4 | Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction) | Not Applicable |
| 5 | Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available. | 0.13% |
| 6 | Financial performance of the related party for the immediately preceding financial year (FY 2025-26) | see below |

| Particulars | FY 2025-26 (Rs in lakhs)* |
|---|---|
| Turnover | 25,886,565 |
| Profit After Tax | -11,44,414 |
| Net worth | 11,137,404 |

- JPY Converted to INR using the exchange rate on of 30th March 2026 (Source: MUFG Bank) and is for all business segments

**A (5) Basic details of the proposed transaction**

| S No | Particulars of the information | Information provided by the management |
|---|---|---|
| 1 | Specific type of the proposed transaction (e.g. sale of goods/services,purchase of goods/services, giving loan, borrowing etc.) | a. Export sale of finished goods and spares<br>b. Purchase of goods and parts<br>c. Payment of export commission<br>d. Payment of royalty<br>e. Payment of technical guidance fees<br>f. Reimbursement received and paid including warranty expenses<br>g. Purchase of capital items<br>h. Payment of model fee |
| 2 | Details of each type of the proposed transaction | a. Export sale of finished goods and spares: Sale of power products and spare parts to the related party for further sale.<br>b. Purchase of goods and parts: Purchase of raw Material, Components, Consumables for use in production and finished Goods for further sale. |

<table>
<tr><td></td><td></td><td>
<table>
<tr><td>c. Payment of export commission</td><td>Commission paid on FOB value of Export Sales towards use of HM’s channel in overseas market.</td></tr>
<tr><td>d. Payment of royalty</td><td>Royalty is paid on sale of manufactured goods.</td></tr>
<tr><td>e. Payment of technical guidance fees</td><td>Payment for technical support services</td></tr>
<tr><td>f. Reimbursement received and paid including warranty expenses</td><td>All type of reimbursement such as warranty, Expat’s salary and other expenses</td></tr>
<tr><td>g. Purchase of capital items</td><td>Purchase of owner’s manual and other capital items</td></tr>
<tr><td>h. Payment of model fee</td><td>For new model introduction</td></tr>
</table>
</td></tr>
<tr><td>3</td><td>Tenure of the proposed transaction (tenure in number of years or months to be specified)</td><td>1st April 2027 to 31st March 2028 (one year)</td></tr>
<tr><td>4</td><td>Whether omnibus approval is being sought?</td><td>No</td></tr>
<tr><td>5</td><td>Value of the proposed transaction during a financial year.<br>If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.</td><td>
Rs in lakhs
<table>
<tr><td>a. Export sale of finished goods and spares</td><td>17,000</td></tr>
<tr><td>b. Purchase of goods and spares</td><td>7,000</td></tr>
<tr><td>c. Payment of export commission</td><td>3,000</td></tr>
<tr><td>d. Payment of royalty</td><td>4,700</td></tr>
<tr><td>e. Payment of technical guidance fees</td><td>450</td></tr>
<tr><td>f. Reimbursement received and paid including warranty expenses</td><td>1,700</td></tr>
<tr><td>g. Purchase of capital items</td><td>110</td></tr>
<tr><td>h. Payment of model fee</td><td>140</td></tr>
</table>
</td></tr>
<tr><td>6</td><td>Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity</td><td>
a. Export sale of finished goods and spares<br>
i) This is the projected sales for FY 2027-28 at cost plus basis<br>
ii) Since the Company is planning to introduce new model(s) for export, the sale and other related transactions value during FY 2027-28 is projected to be much higher than last year.<br>
iii) Improve Company’s turnover and profitability.<br>
iv) Improves capacity utilization<br>
v) No history of credit loss<br>
b. Purchase of goods and parts<br>
i) The purchase of raw materials, components, parts and consumables is for manufacturing of final products. The value of transactions is higher compared to last year due to the reason explained in 6 (a) (ii) above.<br>
ii) These items are of critical and proprietary nature and therefore cannot be procured from any other source<br>
iii) Purchase of finished goods is for onward sales in Indian market based on sales projections for FY 2027-28. In-house manufacturing of these finished goods is not commercially viable due to relatively lower production volumes, which would result in higher per-unit costs and inefficiencies.
</td></tr>
</table>

| | | |
|---|---|---|
| | | **c. Payment of export commission**<br>i) Export commission is being paid for utilizing Honda's global sales and distribution channel and represents the only selling expenses incurred for export sales.<br>ii) The commission is payable at 8% on FOB value of export sales (except for export made to HM.)<br>iii) The rate remains unchanged from previous years.<br>iv) Proposed amount is based on forecasted export sales of FY 2027-28.<br>v) This commission forms part of the cost of the product and is being recovered from the buyer as sales consideration.<br>**d. Payment of royalty**<br>i) Royalty is paid under Technical Collaboration Agreement (TCA) for indivisible, non-transferable and exclusive rights and license to manufacture and sell the products using its intellectual property rights and the technical information.<br>ii) The royalty rate remains unchanged from previous years.<br>iii) Royalty is computed at 6% of net ex-factory sale price of manufactured goods. Net ex-factory sale price defines sales price less the cost of bought out components and cost of imports, commission, freight and duties.<br>iv) Effective rate of royalty ranges from 4.0% to 4.5%.<br>v) Sale price and profit are computed after considering the royalty expenses.<br>vi) Proposed amount is based on forecasted sales of FY 2027-28.<br>**e. Payment of technical guidance fees**<br>i) This is an estimated figure on the basis of requirement and past history for support service provided by HM for improving the manufacturing and allied processes.<br>ii) Amount will be paid as per agreement, on hourly rates on actual availment of services.<br>**f. Reimbursement received and paid including warranty expenses**<br>These are reimbursement and recovery of actual expenses related to warranty, expat's salary and other expenses.<br>**g. Payment of model fee**<br>i) This is for the support provided by HM for start of mass production for any new model in the Company including assessment of market, designing of the product. Any new model will contribute to the sales of the Company.<br>ii) This is of capital nature. |
| **7** | Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly.<br>*Explanation:* Indirect interest shall mean interest held through any person over which an individual has control.<br>a. Name of the director / KMP<br>b. Shareholding of the director / KMP, whether direct or indirect, in the related party | Honda Motor Co. Ltd, Japan is the holding Company of the entity holding 66.67% shares.<br>None of the director(s)/ key managerial personnel of the Company have any interest in the transaction. |
| **8** | A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee | Not applicable |

| | | |
|---|---|---|
| **9** | Other information relevant for decision making. | The Audit Committee and Board of Directors of the Company, which consists of independent directors from diverse domains, have evaluated and unanimously approved the proposed related party transaction at their respective meetings. |

**Part B**

**B(1) Disclosure *only* in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances**

| S No | Particulars of the information | Information provided by the management | |
|---|---|---|---|
| 1 | Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services. | | **Rs in lakhs** |
| | | a. Export sale of finished goods and spares | Not applicable:<br>These models are manufactured exclusively for the related party based on standards of the particular country and cannot be sold to any other customers as it is. |
| | | b. Purchase of goods and spares | Not applicable:<br>These items are of critical and proprietary nature, specifically made for the specific model and cannot be procured from any other source. |
| | | c. Payment of technical guidance fees | Not applicable<br>This service is for improvement in the production process, based on related party's tried and tested methodology in other global factory and is based on hourly rate of availement of service. |
| | | d. Reimbursement received and paid including warranty expenses | Not applicable<br>Reimbursement received and paid is on actual expenses incurred |
| | | e. Purchase of capital items | Not applicable<br>These are for purchase of owner's manual and other related items developed/ to be developed by the Related party based on the request by the Company. |
| 2 | Basis of determination of price. | Cost plus basis/Actual expenses incurred. | |
| 3 | In case of Trade advance (*of upto 365 days or such period for which such advances are extended as per normal trade practice*) , if any, proposed to be extended to the related party in relation to the transaction, specify the following:<br>a. Amount of Trade advance<br>b. Tenure<br>c. Whether same is self-liquidating? | Not Applicable | |

**B(7). Disclosure *only* in case of transactions relating to payment of royalty**

| S No | Particulars of the information | Information provided by the management |
|---|---|---|
| 1 | Purpose for which royalty is proposed to be paid to the related party in the current financial year. | |
| | a. For use of brand name / trademark<br>b. For transfer of technology know-how | 6% of net ex-factory sale price of manufactured goods. Net ex-factory sale price defines sales price less the cost of bought out components and cost of imports, all commissions paid, freight and duties.<br>Effective rate ranges between 4% to 4.5% of Net Sales. |
| | c. For professional fee, corporate management fee or any other fee | Nil |
| | d. *Any other use (specify)* | Nil |

| | | |
|---|---|---|
| **2** | a) The listed entity may confirm whether the parent company charges royalty at a uniform rate from all group companies in other jurisdiction.<br>b) If No, furnish information below.<br>If royalty is paid to the parent company, disclose royalty received by the parent company from group entities in other jurisdiction:<br>• Minimum rate of royalty charged along with corresponding absolute amount<br>• Maximum rate of royalty charged along with corresponding absolute amount | No<br>• 1% of shipment value (from other entities where only assembly is done) [Rs. 942 lakhs]<br>• 6.5% of shipment value (for manufacturing entities) [Rs. 4,577 lakhs]<br>The above information is related to the group companies engaged in the business of power products for FY – 2025-26 |
| **3** | Sunset Clause for Royalty payment, if any. | No sunset clause |

**PART C**
**C(6) Disclosure *only* in case of transactions relating to payment of royalty**

| S No | Particulars of the information | Information provided by the management |
|---|---|---|
| **1** | Gross amount of royalty paid by the listed entity or subsidiary to the related party during each of the last three financial years | |
| | FY 2025-26 | Rs. 3,365 lakhs |
| | FY 2024-25 | Rs. 3,178 lakhs |
| | FY 2023-24 | Rs. 3,747 lakhs |
| **2** | Purpose for which royalty was paid to the related party during the last three financial years. | For use of intellectual property rights and the technical knowhow owned by the related party |
| | a. For use of brand name / trademark | Whole of Royalty |
| | b. For transfer of technology know-how | |
| | c. For professional fee, corporate management fee or any other fee | Nil |
| | d. *Any other use (specify)* | Nil |
| **3** | Royalty paid in last 3 FYs as % of Net Profits of previous FYs | |
| | FY 2025-2026 | 31% |
| | FY 2024-2025 | 26% |
| | FY 2023-2024 | 32% |
| **4** | Percentage or Rate at which royalty has increased in the past 3 years, if any, vis-à-vis rate at which the turnover and profits after tax have increased during the same period. | See table below |
| **5** | Peer Comparison:<br>Listed entity or its subsidiary paying royalty for any purpose shall also disclose whether any relevant Industry Peer pays royalties for the same purpose, which is disclosed in its audited annual financial statements for the relevant period: | The Company has diversified portfolio spanning portable Gensets, Agriculture equipments, construction equipments and marine products. The Company caters to domestic as well as export markets, therefore its product's ecosystem distinguish it significantly from its Indian counterparts, which typically differ in scale, business model and geographical focus. While there may be limited overlap in certain segments, these entities are not directly comparable in terms of business nature or strategic positioning. Accordingly, the Company is unable to provide a meaningful peer comparison. |

| Financial Year | Royalty Rate Increase | Royalty amount increase | Turnover increase | Profit after tax increase |
|---|---|---|---|---|
| FY 2025-26 | Nil | +6% | +9% | -20% |
| FY 2024-25 | Nil | -15% | -20% | -13% |
| FY 2023-24 | Nil | -16% | -21% | 8% |

Since royalty is paid only on the sales of manufactured products and turnover includes the sales of manufactured as well as traded products, changes in turnover and royalty cannot be co-related.

**Item No. 9 & 10**

**Material Related Party Transactions with American Honda Motor Co., Inc.**

**Context & rationale**

American Honda Motor Co., Inc. ("AH") is a related party by virtue of being a wholly owned subsidiary of Honda Motor Co., Ltd., Japan, the holding company of the Company.

The Company has been undertaking transactions with AH, a related party, in the ordinary course of its business and intends to continue such transactions to support its business requirements. The Company exports finished goods and spares to AH. These models are manufactured exclusively for AH in accordance with the technical standards and regulatory requirements of the country. In addition, the Company undertakes reimbursement and recovery of actual expenses relating to warranty claims and other associated costs with AH.

**Item Nos. 9**

**Related Party Transactions with American Honda Motor Co. Inc. for the FY 2026-27.**

Based on the then available business projections, the Audit Committee, at its meeting held on July 30, 2026, had accorded its prior approval for the non-material related party transactions with American Honda Motor Co. Inc. ("AH") aggregating up to Rs. 8,600 Lakhs.

Further, considering the continued growth in sales opportunities and revised business estimates, the aggregate value of the transactions with AH during the financial year 2026-27 is expected to exceed the materiality threshold prescribed under applicable laws and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations").

Accordingly, approval of the Members is being sought for enhancement of the aggregate transaction limit with AH from Rs. 8,600 lakhs to Rs. 15,200 lakhs for financial Year 2026-27, details of which are set out below:

| Particulars | Transaction Value Rs. /Lakh | Crossing Materiality Threshold Yes/No |
|---|---|---|
| Approval already taken from Audit Committee | 8,600 | No |
| Additional Approval sought now | 6,600 | - |
| Total Transaction value | 15,200 | Yes |

The Board believes that the proposed increase in transaction limits will contribute positively to the Company's revenue growth, profitability and overall business performance and are in the best interests of the Company and its stakeholders.

In accordance with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025, listed entities are required to follow the Industry Standards on "Minimum Information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" ("ISF Note"). The Management has placed before the Audit Committee all information and disclosures prescribed under the ISF Note.

The proposed material related party transaction set out in Item No. 9 of this Notice was unanimously approved by the Audit Committee and the Board of Directors at their respective meetings held on July 30, 2026.

The Audit Committee, at its meeting held on July 30, 2026, has reviewed and taken note of the certificate duly signed by CEO and CFO of the Company confirming that the terms of the proposed related party transactions are in the interest of the Company.

Pursuant to Regulation 23 of the SEBI LODR Regulations, all Material Related Party Transactions require prior approval of the Members by way of an Ordinary Resolution, and no related party shall vote to approve such resolution, irrespective of whether such related party is a party to the particular transaction or not. Accordingly, approval of the Members is being sought for the proposed material related party transactions.

None of the Directors and/ or Key Managerial Personnel of the Company and/or their respective relatives in any way, concerned or interested, financially or otherwise, except to the extent of their shareholding in the Company, if any, in the resolution mentioned in Item No. 9 of this Notice, except Mr. Shigeki Iwama, Mr. Vinay Mittal, Mr. Akihiro Sakurai and Mr. Yasuhiro Takabatake, who may be deemed to be interested by virtue of their association as nominees of Honda Motor Co., Ltd., Japan.

The Board of Directors accordingly recommends the Ordinary Resolution set out at Item No. 9 of the Notice for approval of the Members.

The information as required under the Industry Standards Forum ('ISF') Note for approval of RPTs with AH, as placed before the Audit Committee has been incorporated below along with minimum information for the Members for approval of material RPTs :

**Minimum information to be provided to the Audit Committee and shareholder for approval of Related Party Transaction as per RPT Industry Standards:**

<table>
<tr><td colspan="3">Part A: Minimum information of the proposed Related Party Transactions (RPT)</td></tr>
<tr><td colspan="2">A (1) Basic details of the related party</td><td></td></tr>
<tr><td>S No</td><td>Particulars of the information</td><td>Information provided by the management</td></tr>
<tr><td>1</td><td>Name of the related party</td><td>American Honda Motor Co. Inc. (‘AH’)</td></tr>
<tr><td>2</td><td>Country of incorporation of the related party</td><td>USA</td></tr>
<tr><td>3</td><td>Nature of business of the related party</td><td>Manufacturer, Sales, Marketing, Service & Distribution of various Honda products</td></tr>
<tr><td>A (2)</td><td>Relationship and ownership of the related party</td><td></td></tr>
<tr><td>S No</td><td>Particulars of the information</td><td>Information provided by the management</td></tr>
<tr><td>1</td><td>Relationship between the listed entity/subsidiary1 (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following:<ul><li>Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.</li><li>Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).</li><li>Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary).</li></ul></td><td><ul><li>Nil</li><li>Not Applicable</li><li>Related party is a wholly owned subsidiary of Honda Motor Co., Ltd., Japan, the holding company of the entity</li></ul></td></tr>
<tr><td colspan="3">A (3) Details of previous transactions with the related party</td></tr>
<tr><td>S No</td><td>Particulars of the information</td><td>Information provided by the management</td></tr>
<tr><td>1</td><td>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year.</td><td><table><tr><td>S No</td><td>Nature of Transactions</td><td>FY 2025-26 Rs in lakhs *</td></tr><tr><td>1</td><td>Export Sale of finished goods & Spares</td><td>5,258</td></tr><tr><td>2</td><td>Reimbursement received and paid including warranty expenses</td><td>59</td></tr></table>* Transaction undertaken during last audited financial year (FY 2025-26)</td></tr>
<tr><td>2</td><td>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.</td><td>Rs 3,045 lakhs<br>(April 2026 to June 2026)</td></tr>
<tr><td>3</td><td>Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year.</td><td>No</td></tr>
<tr><td colspan="3">A (4) Amount of the proposed transaction(s)</td></tr>
<tr><td>S No</td><td>Particulars of the information</td><td>Information provided by the management</td></tr>
<tr><td>1</td><td>Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders.</td><td><ul><li>Earlier considering that the value of transaction with this related party shall be below the materiality threshold, approval from audit committee was taken for Rs 8,600 lakhs. Due to higher demand, there is a need to enhance the limit which shall be material</li></ul><table><tr><td></td><td>Rs in lakhs</td><td>Material</td></tr><tr><td>Approval already taken from Audit Committee</td><td>8,600</td><td>No</td></tr><tr><td>Additional Approval sought now</td><td>6,600</td><td>-</td></tr><tr><td>Total Transaction value</td><td>15,200</td><td>Yes</td></tr></table></td></tr>
</table>

<table>
<tr><td></td><td></td><td>The value of the transactions already entered into are within the limits approved by the Audit Committee.</td></tr>
<tr><td>2</td><td>Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT?</td><td>Yes</td></tr>
<tr><td>3</td><td>Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year (FY 2025-26)</td><td>17.57%</td></tr>
<tr><td>4</td><td>Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction)</td><td>Not Applicable</td></tr>
<tr><td>5</td><td>Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available.</td><td>Not Available</td></tr>
<tr><td>6</td><td>Financial performance of the related party for the immediately preceding financial year</td><td>Being closely held company, data being confidential and not available</td></tr>
<tr><td colspan="2">A (5) Basic details of the proposed transaction</td><td></td></tr>
<tr><td>S No</td><td>Particulars of the information</td><td>Information provided by the management</td></tr>
<tr><td>1</td><td>Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)</td><td>a. Export sale of finished goods and spares<br>b. Reimbursement received and paid including warranty expenses</td></tr>
<tr><td>2</td><td>Details of each type of the proposed transaction</td><td><table>
<tr><td>a. Export sale of finished goods and spares</td><td>Sale of power products and spare parts to the related party for further sale</td></tr>
<tr><td>b. Reimbursement received and paid including warranty expenses</td><td>All types of reimbursement such as warranty and other related expenses</td></tr>
</table></td></tr>
<tr><td>3</td><td>Tenure of the proposed transaction (tenure in number of years or months to be specified)</td><td>1st September 2026 to 31st March 2027 (Seven months)</td></tr>
<tr><td>4</td><td>Whether omnibus approval is being sought?</td><td>No</td></tr>
<tr><td>5</td><td>Value of the proposed transaction during a financial year.<br>If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.</td><td><table>
<tr><td>Particulars</td><td>Rs in lakhs</td></tr>
<tr><td>a. Export sale of finished goods and spares</td><td>14,800</td></tr>
<tr><td>b. Reimbursement received and paid including warranty expenses</td><td>400</td></tr>
</table>
All proposed transactions are for current financial year FY 2026-2027.</td></tr>
<tr><td>6</td><td>Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity</td><td>a. Export sale of finished goods and spares<br>i) This is the projected sales for FY 2026-27 at cost plus basis<br>ii) Improve Company's turnover and profitability.<br>iii) Improves capacity utilization<br>iv) No history of credit loss<br>b. Reimbursement received and paid including warranty expenses<br>These are reimbursement and recovery of actual expenses related to warranty and other related expenses</td></tr>
</table>

<table>
<tr><td>7</td><td>Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly.<br>Explanation: Indirect interest shall mean interest held through any person over which an individual has control.<br>a. Name of the director / KMP<br>b. Shareholding of the director / KMP, whether direct or indirect, in the related party</td><td>Honda Motor Co. Ltd., Japan is the holding company of the listed entity holding 66.67% shares.<br>None of the director(s)/ key managerial personnel of the Company have any interest in this transaction.</td></tr>
<tr><td>8</td><td>A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee</td><td>Not applicable</td></tr>
<tr><td>9</td><td>Other information relevant for decision making.</td><td>The Audit Committee and Board of Directors of the Company, which consists of independent directors from diverse domains, have evaluated and unanimously approved the proposed related party transaction at their respective meetings.</td></tr>
<tr><td colspan="3">PART B<br>B(1) Disclosure only in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances</td></tr>
<tr><td>S No</td><td>Particulars of the information</td><td>Information provided by the management</td></tr>
<tr><td>1.</td><td>Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services.</td><td><table>
<tr><td>Particulars</td><td>Rs in lakhs</td></tr>
<tr><td>a. Export sale of finished goods and spares</td><td>Not applicable:<br>These models are manufactured exclusively for the related party based on standards of the particular country and cannot be sold to any other customers as it is.</td></tr>
<tr><td>b. Reimbursement received and paid including warranty expenses</td><td>Not applicable<br>Reimbursement received and paid is on actual expenses incurred</td></tr>
</table></td></tr>
<tr><td>2</td><td>Basis of determination of price.</td><td>Cost plus basis/Actual expenses incurred</td></tr>
<tr><td>3</td><td>In case of Trade advance (of upto 365 days or such period for which such advances are extended as per normal trade practice) , if any, proposed to be extended to the related party in relation to the transaction, specify the following:<br>a. Amount of Trade advance<br>b. Tenure<br>c. Whether same is self-liquidating?</td><td>Not Applicable</td></tr>
</table>

**Item Nos. 10**

**Material Related Party Transactions with American Honda Motor Co., Inc. for the financial year 2027-28**

The Company has been undertaking transactions with American Honda Motor Co., Inc. ("AH"), a related party, in the ordinary course of its business and intends to continue such transactions to support its business requirements. The Company in its ordinary course of business has entered into/proposes to enter into agreements/ arrangements/transactions with AH for the financial year 2027-28, the Company proposes to enter into transactions aggregating to approximately Rs.12,400 lakhs with AH. These transactions are envisaged to enhance the Company's turnover, profitability, and overall capacity utilization.

In accordance with SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2025/93 dated June 26, 2025, listed entities are required to follow the Industry Standards on "Minimum Information to be provided to the Audit Committee and Shareholders for approval of Related Party Transactions" ("ISF Note"). The Management has placed before the Audit Committee all information and disclosures prescribed under the ISF Note.

The proposed material related party transaction set out in Item No. 10 of this Notice was unanimously approved by the Audit Committee and the Board of Directors at their respective meetings held on May 26, 2026.

The Audit Committee, at its meeting held on May 26, 2026, has reviewed and taken note of the certificate duly signed by the CEO and CFO confirming that the terms of the proposed related party transactions are in the interest of the Company.

Pursuant to Regulation 23 of the SEBI LODR, all Material Related Party Transactions require prior approval of the Members by way of an Ordinary Resolution, and no related party shall vote to approve such resolution, irrespective of whether such related party is a party to the particular transaction or not. Accordingly, approval of the Members is being sought for the proposed material related party transactions.

None of the Directors and/ or Key Managerial Personnel of the Company and/or their respective relatives in any way, concerned or interested, financially or otherwise, except to the extent of their shareholding in the Company, if any, in the resolution mentioned in Item No. 10 of this Notice, except Mr. Shigeki Iwama, Mr. Vinay Mittal, Mr. Akihiro Sakurai and Mr. Yasuhiro Takabatake, who may be deemed to be interested by virtue of their association as nominees of Honda Motor Co., Ltd., Japan.

The Board of Directors accordingly recommends the Ordinary Resolution set out at Item No. 10 of the Notice for approval of the Members.

The information as required under the Industry Standards Forum ('ISF') Note for approval of RPTs with AH, as placed before the Audit Committee has been incorporated below along with minimum information for the Members for approval of material RPTs :

<table>
<tr><td colspan="3">Part A: Minimum information of the proposed Related Party Transactions (RPT)</td></tr>
<tr><td colspan="2">A (1) Basic details of the related party</td><td></td></tr>
<tr><td>S No</td><td>Particulars of the information</td><td>Information provided by the management</td></tr>
<tr><td>1</td><td>Name of the related party</td><td>American Honda Motor Co. Inc. ('AH')</td></tr>
<tr><td>2</td><td>Country of incorporation of the related party</td><td>USA</td></tr>
<tr><td>3</td><td>Nature of business of the related party</td><td>Manufacturer, Sales, Marketing, Service & Distribution of various Honda Products</td></tr>
<tr><td>A (2)</td><td>Relationship and ownership of the related party</td><td></td></tr>
<tr><td>S No</td><td>Particulars of the information</td><td>Information provided by the management</td></tr>
<tr><td>1</td><td>Relationship between the listed entity/subsidiary (in case of transaction involving the subsidiary) and the related party – including nature of its concern (financial or otherwise) and the following:<br>• Shareholding of the listed entity/ subsidiary (in case of transaction involving the subsidiary), whether direct or indirect, in the related party.<br>• Where the related party is a partnership firm or a sole proprietorship concern or a body corporate without share capital, then capital contribution, if any, made by the listed entity/ subsidiary (in case of transaction involving the subsidiary).<br>• Shareholding of the related party, whether direct or indirect, in the listed entity/ subsidiary (in case of transaction involving the subsidiary).</td><td>• Nil<br>• Not Applicable<br>• Related party is a wholly owned subsidiary of Honda Motor Co., Ltd., Japan, the holding Company of the entity.</td></tr>
<tr><td colspan="3">A (3) Details of previous transactions with the related party</td></tr>
<tr><td>S No</td><td>Particulars of the information</td><td>Information provided by the management</td></tr>
<tr><td>1</td><td>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party during the last financial year.</td><td><table><tr><td>S No</td><td>Nature of Transactions</td><td>FY 2025- 26 Rs in lakhs *</td></tr><tr><td>1</td><td>Export Sale of finished goods & Spares</td><td>5,258</td></tr><tr><td>2</td><td>Reimbursement received and paid including warranty expenses</td><td>59</td></tr></table>*Transaction undertaken during last audited financial year (FY 2025-26)</td></tr>
<tr><td>2</td><td>Total amount of all the transactions undertaken by the listed entity or subsidiary with the related party in the current financial year up to the quarter immediately preceding the quarter in which the approval is sought.</td><td>Rs 5,317 lakhs<br>(For FY 2025-26)</td></tr>
</table>

| | | |
|---|---|---|
| 3 | Any default, if any, made by a related party concerning any obligation undertaken by it under a transaction or arrangement entered into with the listed entity or its subsidiary during the last financial year. | No |
| **A (4) Amount of the proposed transaction(s)** | | |
| **S No** | **Particulars of the information** | **Information provided by the management** |
| 1 | Amount of the proposed transactions being placed for approval in the meeting of the Audit Committee/ shareholders. | Rs 12,400 lakhs |
| 2 | Whether the proposed transactions taken together with the transactions undertaken with the related party during the current financial year would render the proposed transaction a material RPT? | Yes |
| 3 | Value of the proposed transactions as a percentage of the listed entity's annual consolidated turnover for the immediately preceding financial year (FY 2025-26) | 14.3% |
| 4 | Value of the proposed transactions as a percentage of subsidiary's annual standalone turnover for the immediately preceding financial year (in case of a transaction involving the subsidiary and where the listed entity is not a party to the transaction) | Not Applicable |
| 5 | Value of the proposed transactions as a percentage of the related party's annual consolidated turnover (if consolidated turnover is not available, calculation to be made on standalone turnover of related party) for the immediately preceding financial year, if available. | Not Available |
| 6 | Financial performance of the related party for the immediately preceding financial year | Being closely held company, data being confidential and not available |

<table>
<tr><td colspan="3">A (5) Basic details of the proposed transaction</td></tr>
<tr><td>S No</td><td>Particulars of the information</td><td>Information provided by the management</td></tr>
<tr><td>1</td><td>Specific type of the proposed transaction (e.g. sale of goods/services, purchase of goods/services, giving loan, borrowing etc.)</td><td>a. Export sale of finished goods and spares<br>b. Reimbursement received and paid including warranty expenses</td></tr>
<tr><td>2</td><td>Details of each type of the proposed transaction</td><td><table><tr><td>a. Export sale of finished goods and spares</td><td>Sale of power products and spare parts to the related party for further sale</td></tr><tr><td>b. Reimbursement received and paid including warranty expenses</td><td>All type of Reimbursement such as warranty and other related expenses</td></tr></table></td></tr>
<tr><td>3</td><td>Tenure of the proposed transaction (tenure in number of years or months to be specified)</td><td>1st April 2027 to 31st March 2028 (one year)</td></tr>
<tr><td>4</td><td>Whether omnibus approval is being sought?</td><td>No</td></tr>
<tr><td>5</td><td>Value of the proposed transaction during a financial year.<br>If the proposed transaction will be executed over more than one financial year, provide estimated break-up financial year-wise.</td><td>Rs in lakhs<table><tr><td>a. Export sale of finished goods and spares</td><td>12,000</td></tr><tr><td>b. Reimbursement received and paid including warranty expenses</td><td>400</td></tr></table></td></tr>
<tr><td>6</td><td>Justification as to why the RPTs proposed to be entered into are in the interest of the listed entity</td><td>a. Export sale of finished goods and spares<br>i) This is the projected sales for FY 2027-28 at cost plus basis.<br>ii) Improve Company's turnover and profitability.<br>iii) Improves capacity utilization.<br>iv) No history of credit loss.<br>b. Reimbursement received and paid including warranty expenses.</td></tr>
</table>

| | | |
|---|---|---|
| | | These are reimbursement and recovery of actual expenses related to warranty and other related expenses. |
| 7 | Details of the promoter(s)/ director(s) / key managerial personnel of the listed entity who have interest in the transaction, whether directly or indirectly.<br>Explanation: Indirect interest shall mean interest held through any person over which an individual has control.<br>a. Name of the director / KMP<br>b. Shareholding of the director / KMP, whether direct or indirect, in the related party | Honda Motor Co. Ltd, Japan is the holding Company of the entity holding 66.67% shares.<br>None of the director(s)/ key managerial personnel of the Company have any interest in this transaction. |
| 8 | A copy of the valuation or other external party report, if any, shall be placed before the Audit Committee | Not applicable |
| 9 | Other information relevant for decision making. | The Audit Committee and Board of Directors of the Company, which consists of independent directors from diverse domains, have evaluated and unanimously approved the proposed related party transaction at their respective meetings. |

**PART B**

**B(1) Disclosure *only* in case of transactions relating to sale, purchase or supply of goods or services or any other similar business transaction and trade advances**

| S No | Particulars of the information | Information provided by the management |
|---|---|---|
| 1 | Bidding or other process, if any, applied for choosing a party for sale, purchase or supply of goods or services. | |

| | Rs in lakhs |
|---|---|
| a. Export sale of finished goods and spares | Not applicable:<br>These models are manufactured exclusively for the related party based on standards of the particular country and cannot be sold to any other customers as it is. |
| b. Reimbursement received and paid including warranty expenses | Not applicable<br>Reimbursement received and paid is on actual expenses incurred |

| S No | Particulars of the information | Information provided by the management |
|---|---|---|
| 2 | Basis of determination of price. | Cost plus basis/Actual expenses incurred. |
| 3 | In case of Trade advance (*of upto 365 days or such period for which such advances are extended as per normal trade practice*) , if any, proposed to be extended to the related party in relation to the transaction, specify the following:<br>a. Amount of Trade advance<br>b. Tenure<br>c. Whether same is self-liquidating? | Not Applicable |

By order of the Board
for **Honda India Power Products Limited**
**Sd/-**
**Sunita Ganjoo**
**Company Secretary**

**Place : New Delhi**
**Date : July 30, 2026**

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

**Annexure I**

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

| **Name of the Director** | **Mr. Akihiro Sakurai** | **Mr. Sameer Jain** |
|---|---|---|
| **DIN** | 10570035 | 11737255 |
| **Age/Years** | 47 Years | 53 Years |
| **Date of appointment**<br>**Date of reappointment** | 01-04-2024<br>- | 01-09-2026 |
| **Brief Resume/ Qualification** | Masters Degree in Science & Technology | • Fellow Member of the ICAI<br>• Fellow Member of the ICMAI<br>• Bachelor of Commerce |
| **Expertise in specific functional areas** | Mr. Sakurai has rich and varied experience in Power Products/ Automobile/ Powertrain Operations and production planning. | Mr. Jain has nearly three decades of extensive experience in business planning, budgeting, costing, pricing strategy, evaluation of new business opportunities, cash flow management, banking and treasury operations, as well as domestic and international tax compliance and litigation. Over the course of his career, he has held key positions across organizations, lead strategic initiatives and strengthened processes. Mr. Jain is the recipient of the Certificate of Merit under the National Scholarship Scheme (1988) and was honoured as "Finance Leader of the Year -Auto 2023". |
| **Relationship with other Directors, Manager and other Key Managerial Personnel of the Company** | NIL | NIL |
| **Name of other Indian companies in which Directorship held** | NIL | NIL |
| **Listed entities from which the appointee has resigned in past three years** | NIL | NIL |
| **Chairman/ Member of Board Committees in Indian Companies** | Honda India Power Products Limited<br>• Risk Management Committee- Member<br>• Board Committee on Financial Matters-Member | NIL |
| **Shareholding in the Company** | NIL | - |
| **Remuneration to be paid** | Rs. 240 Lakhs | Details of remuneration provided in the Resolution |
| **Remuneration last drawn** | Rs. 235 Lakhs | NIL |
| **No. of Meetings attended during the year** | 4 Board Meetings | - |

# Board's Report

**To the Members,**

The Board of Directors of your Company ("Board") is pleased to present the 41st Annual Report of Honda India Power Products Limited ("Company") for the financial year ended March 31, 2026.

1. **Financial Highlights**

**(Rs. in Lakhs)**

| Particulars | Year Ended | |
|---|---|---|
| | March 31, 2026 | March 31, 2025 |
| Revenue from Operations | 86,545 | 79,423 |
| Other Income | 3,736 | 4,228 |
| Profit before tax | 8,570 | 10,770 |
| Tax Expenses | 2,145 | 2,776 |
| Profit after Tax | 6,425 | 7,994 |
| Other Comprehensive Income | 240 | (63) |
| Total Comprehensive Income for the year | 6,665 | 7,931 |

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

Your Company achieved aggregate revenue from operations of Rs. 86,545 Lakhs in 2025-26 (as against Rs. 79,423 Lakhs in 2024-25). This marks an increase of 9% over the previous year. The Profit Before Tax & Exceptional item has decreased by 11%.

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

2. **Dividend**

1. **Interim Dividend**

During the year under review, the Board of Directors declared the following interim dividends on the Equity Shares of the Company:

1. On August 12, 2025, Rs. 100/- (Rupees One Hundred only) per Equity Share of Rs. 10/- each fully paid-up, representing 1000% of the face value.
2. On February 13, 2026, Rs. 3.50/- (Rupees Three and Fifty Paise only) per Equity Share of Rs. 10/- each fully paid-up, representing 35% of the face value.

2. **Final Dividend**

Based on the Company's performance during the financial year ended March 31, 2026, your Directors are pleased to recommend a final dividend of Rs. 23/- (Rupees Twenty-Three only) per Equity Share of Rs. 10/- each fully paid-up, representing 230% of the face value.

The dividend, if approved by the Members at the ensuing Annual General Meeting, will be payable to those Shareholders whose names appear in the Register of Members as on the Record Date, subject to deduction of tax at source as applicable.

3. **Dividend Distribution Policy**

Pursuant to the requirements of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Dividend Distribution Policy of the Company is available on the Company's website at
https://www.hondaindiapower.com/admin/public/uploads/document/h4N92dvHS0.pdf

4. **Share capital**

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

5. **Depository System**

Pursuant to the Listing Regulations, the equity shares of the Company are mandatorily required to be traded in electronic form. Accordingly, requests for transfer of securities in physical form are not processed.

For transmission, transposition, issuance of duplicate share certificates, replacement, endorsement, split, and consolidation, the Company issues a Letter of Confirmation, which is to be submitted to the concerned Depository Participant for credit of securities in electronic form.

Shareholders holding shares in physical form are encouraged to dematerialise their holdings with either of the Depositories to avail the benefits of the Depository System and mitigate risks of fraud.

The Company has obtained a special contingency insurance policy to cover risks associated with issuance of duplicate securities and matters relating to the Investor Education and Protection Fund (IEPF).

Further, in line with SEBI directives to strengthen due diligence in the dematerialisation process, the Company has shared a static database of shareholders holding physical shares with the Depositories, thereby enhancing system integrity and facilitating effective validation of dematerialisation requests.

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

In accordance with the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended in 2017, the Company is required to transfer to the IEPF, all shares on which dividends have remained unpaid or unclaimed for seven consecutive years or more. The Company has duly effected such transfers to the Demat Account of the IEPF Authority and uploaded the requisite details on its website:
https://www.hondaindiapower.com/investors/dividend-and-iepf

Members may claim these shares and any accrued benefits from the IEPF Authority by following the prescribed procedure.

Further, in terms of Sections 124 and 125 of the Companies Act, 2013, ("the Act") dividends remaining unpaid for seven years from the date of transfer to the Unpaid Dividend Account are also required to be transferred to the IEPF. Details of such unclaimed dividends have been made available on the Company's website: https://www.hondaindiapower.com/investors/dividend-and-iepf

Shareholders who have not claimed their dividends for the past seven years are requested to approach the Company's Registrar and Share Transfer Agent (RTA) to claim the same in accordance with the prescribed procedure.

At the beginning of the financial year, 100 jointly held equity shares, pertaining to two shareholders, were lying in the Unclaimed Suspense Account maintained with NSDL. During the year under review, no shares were transferred either to the Demat Suspense Account or to the Unclaimed Suspense Account.

**7. Environment Protection and Safety**

Your Company plans to achieve a further 2.5% reduction in $CO_2$ emissions during the financial year 2026-27. This commitment is supported by a dedicated Safety & Environmental team responsible for implementing robust environmental sustainability practices across all operations. The Company continually reviews and enhances its operational standards and environmental management systems to meet these objectives, while extending these practices across its key suppliers and service providers.

The Company actively promotes sustainable development through the efficient use of resources and ensures that its products comply with all applicable regulatory and social requirements. Its comprehensive health and safety management system is designed to safeguard and support all employees across the organisation.

Through regular safety meetings, employee suggestion schemes, and active engagement of Company associates, the Company fosters a strong culture of safety and environmental responsibility, ensuring a secure and healthy working environment for all stakeholders.

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

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

**9. Occupational health and safety**

The Company has established a comprehensive Health, Safety, and Environment (HSE) Policy, supported by a robust HSE management system and an effective monitoring framework to ensure its implementation and effectiveness. The Company follows the 'Plan-Do-Check-Act' (PDCA) methodology, which facilitates continuous improvement across all operations.

The HSE policy is available on website of the Company at

https://www.hondaindiapower.com/admin/public/uploads/document/s25R4zrdv5.pdf

The HSE management system encompasses detailed risk assessments covering key areas such as workplace safety, fire hazards, process safety, chemical safety, machinery related risks, and occupational health. Regular audits are conducted to assess the Company's HSE performance and ensure compliance with applicable regulatory requirements, thereby reinforcing its commitment to providing a safe, healthy, and sustainable work environment.

**10. Annual Return**

Pursuant to Section 92(3) of the Act, Annual Return for previous financial years and draft Annual Return for the Financial Year 2025-26, to be filed with the Registrar of Companies ('ROC'), Ministry of Corporate Affairs, pursuant to Rule 12 (1) of the Companies (Management and Administration) Rules, 2014 is available on website of the Company at

https://www.hondaindiapower.com/admin/public/uploads/document/9j4cKnuP21.pdf

**11. Details of Board and Committee Meetings**

The Directors actively participate in the Board and Committee Meetings, which are conducted in an open and transparent manner, providing adequate opportunity to all Directors to deliberate, exchange views, seek clarifications, and contribute meaningfully to discussions. Through these interactions, the Directors offer valuable guidance and advice to the Management on key business matters, including strategic direction, governance, and regulatory compliance, thereby enabling informed decision making at the Board level.

During the year under review, the Board met four times, and the interval between the meetings was in compliance with the provisions of the Act, Listing Regulations, and the relevant circulars issued by the Ministry of Corporate Affairs and SEBI. The Board has consistently accepted all recommendations of the Audit and other Board Committees during the year.

For detailed information on the composition and functioning of the Board Committees, reference may be made to the Corporate Governance Report, annexed as **Annexure–E,** which forms the part of this Annual Report.

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

Your Company remains committed to upholding the highest standards of integrity, transparency, and accountability in all its operations. In furtherance of this commitment, the Company has established a comprehensive Whistle Blower Policy, which serves as a formal vigil mechanism for all stakeholders, including employees, suppliers, customers, and other relevant parties.

The Policy provides a structured framework for reporting genuine concerns relating to unethical conduct, actual or suspected fraud, violations of the Company's Code of Conduct or Ethics Policy, and any other instances of misconduct. It underscores the Company's zero tolerance approach towards wrongdoing and reinforces its commitment to sound corporate governance practices.

The Whistle Blower Mechanism is designed to ensure that all reported concerns are addressed promptly, effectively and confidentially. In exceptional circumstances warranting senior level intervention, the Policy provides for direct escalation of the matter to the Chairman of the Audit Committee, thereby ensuring appropriate oversight and timely resolution of serious issues.

To safeguard the integrity of the reporting process, the Policy incorporates adequate safeguards to prevent victimization of whistleblowers and ensures protection against any form of retaliation.

For detailed information, the Whistle Blower Policy is available on the Company's website:
https://www.hondaindiapower.com/admin/public/uploads/document/eKfuqh412.pdf

**13. Risk Management**

Operating in a dynamic, uncertain, and complex environment, your Company recognizes the critical importance of effective risk management to safeguard its assets, ensure business continuity, and create long-term value for stakeholders. To address these challenges, the Company has established a robust Risk Management Framework tailored to its size and operational complexity.

The Risk Management framework has been formulated in alignment with the applicable provisions of the Act, and the Listing Regulations, and is benchmarked against industry best practices. The framework reflects the Company's proactive approach to identifying, assessing, mitigating, and monitoring key risks that may have an impact on its business objectives, financial performance, and reputation. The primary objective of the framework is to institutionalize a strong risk governance culture across the organization by clearly defining risk ownership, strengthening accountability, and ensuring that risks are managed in a timely and effective manner at all levels of the Company.

The Risk Management Framework, inter alia, covers the following key activities:

- **Risk Identification:** Systematic identification of potential risks across all business functions.
- **Risk Assessment and Prioritization:** Evaluation of risks based on their impact and likelihood to prioritize management efforts.
- **Risk Monitoring and Review:** Continuous monitoring of identified risks and periodic reviews to adapt to changing circumstances.
- **Risk Control:** Implementation of measures to mitigate or eliminate risks, ensuring they remain within acceptable limits.
- **Risk Response Planning:** Development of strategic response plans to address high-priority risks effectively.

This comprehensive approach enables the Company to manage risks proactively, minimizing their potential impact and enhancing decision-making processes.

For more details, the Company's Risk Management Policy is available on our website:
https://www.hondaindiapower.com/admin/public/uploads/document/aiWnag5r3e.pdf

**14. Directors' Responsibility Statement**

Pursuant to the requirement of Clause (c) of Sub-section (3) of Section 134 of the Act, your Directors to the best of their knowledge & belief, confirm that:

(a) In the preparation of the annual accounts for the year ended March 31, 2026, the applicable Accounting Standards have been followed and there are no material departures;

(b) The Directors selected and consistently applied such Accounting Policies and made judgments & estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company and Profit and Loss of the Company as at March 31, 2026;

(c) 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;

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively; and

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

**15. Particulars of Loans, Guarantees or Investments**

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

Further the Company has not availed any loan from any Bank or Financial Institutions which requires explanation in term of Rule 8 of Companies (Accounts) Rules, 2014.

**16. Statutory Compliance**

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

**17. MSME**

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

**18. Auditors**

**i) Statutory Auditors**

In accordance with the provisions of Section 139 of the Act, and the Rules made thereunder, M/s. B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022) were appointed as the Statutory Auditors of the Company for a term of five (5) years. Their appointment is effective until the conclusion of the 42nd Annual General Meeting of the Company.

As mandated under the Listing Regulations, the Statutory Auditors have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

They have further affirmed that they are not disqualified and remain eligible to continue as the Statutory Auditors of the Company.

**Statutory Auditor's Report**

The Statutory Auditors' Report on the financial statements of the Company for the financial year ended March 31, 2026, is self explanatory and does not require any further elucidation or comments. The Report may accordingly be treated as adequate compliance with the requirements of Section 134 of the Act.

It is further noted that the Statutory Auditors have not made any qualification, reservation, or adverse remark in their Report for the financial year 2025-26.

**Report on Frauds, if any**

During the year under review, no instance of fraud was reported against the Company by its officers or employees. Neither the Audit Committee nor the Board of Directors has received any report of fraud from the Statutory Auditors of the Company.

Accordingly, there is nothing to disclose under Section 134(3)(ca) of the Act.

**ii) Internal Auditors**

To uphold an effective and efficient internal audit system, the Company has instituted a robust and well-structured internal audit framework. For the financial year 2026-27, M/s Deloitte Haskins & Sells, Chartered Accountants LLP, were appointed as the Internal Auditors of the Company.

The Internal Auditors are appointed annually by the Board of Directors upon the recommendation of the Audit Committee. They conduct independent and objective evaluations of the Company's operations, processes, and internal controls, and present their audit findings, observations, and recommendations to the Audit Committee on a quarterly basis.

The scope, coverage, and periodicity of the internal audit are reviewed and approved by the Audit Committee, thereby ensuring that the internal audit function remains appropriately aligned with the Company's risk profile, business requirements, and applicable regulatory standards.

**iii) Cost Auditors**

Pursuant to Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, M/s Rakesh Singh & Co., Cost Accountants, have been re-appointed as the Cost Auditors of the Company for the financial year 2026-27. They shall conduct the cost audit of the Company's accounts in compliance with the applicable Cost Audit Rules.

The remuneration of the Cost Auditors has been approved by the Board of Directors on the recommendation of the Audit Committee. A resolution seeking ratification of such remuneration by the Members of the Company has been included in the Notice convening the ensuing Annual General Meeting (AGM).

The Cost Auditors have furnished a certificate confirming that their appointment is within the limits prescribed under Section 141(3)(g) of the Act, and that they are not disqualified from such appointment under the provisions of the Act.

**iv) Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and in conformity with Regulation 24A of the Listing Regulations, M/s TVA & Co. LLP, Company Secretaries, a peer reviewed firm (LLPIN: AAE-9329) were appointed as the Secretarial Auditors of the Company for a term of five consecutive years, commencing from the financial year 2025-26 till 2029-30.

The Secretarial Audit Report issued by M/s TVA & Co. LLP for the financial year 2025-26, annexed to this Board's Report as **Annexure-C**, affirms compliance with the applicable provisions of the Act, the SEBI Listing Regulations and other relevant statutory requirements.

M/s TVA & Co. LLP has confirmed that they are not disqualified from continuing as the Secretarial Auditor of the Company.

Further, in terms of regulatory requirements, M/s TVA & Co. LLP has issued Annual Secretarial Compliance Report, confirming compliance by the Company of the applicable Listing Regulations and circulars/guidelines issued thereunder.

The Secretarial Audit Report and Secretarial Compliance Report for the financial year 2025-26 do not contain any qualification, reservation, adverse remark, or disclaimer.

**19. Those Charged with Governance (TCWG)**

The Company is committed to the highest standards of corporate governance and consistently endeavours to ensure compliance with all applicable regulations, laws, and prescribed instructions, with the objective of being a fully compliant organization.

In furtherance of this commitment, the Company has recently designated the entire Board of Directors as Those Charged with Governance (TCWG), in accordance with the guidance prescribed under the NFRA Circular dated January 07, 2026.

Pursuant to the formation of TCWG, the Statutory Auditors convened the meeting with the TCWG. During the meetings, they provided a comprehensive explanation of the key requirements stipulated under the aforesaid NFRA Circular, together with the proposed approach, delineated responsibilities, and the way forward to ensure effective and sustained compliance.

**20. Related Party Transactions**

The Company has established a robust and comprehensive framework for the identification, review, approval, and monitoring of Related Party Transactions ("RPTs"), designed to ensure transparency, sound governance, and adherence to the provisions of the Act, and the Listing Regulations, as amended from time to time.

All RPT's undertaken during the financial year 2025-26 were executed in the ordinary course of business and on an arm's length basis. These transactions were duly placed before the Audit Committee, which reviewed and approved them in line with applicable statutory and regulatory requirements as well as the Company's Policy on RPT's.

In compliance with Regulation 23 of the Listing Regulations, and consistent with prevailing industry standards, the Company is seeking prior approval of the Members for material RPT's at the forthcoming AGM.

The relevant particulars of such transactions, prepared in accordance with the Listing Regulations, framework and applicable statutory requirements, are set out in the Notice convening the AGM, for the Members' consideration and reference.

The Policy on RPT's, as approved by the Board of Directors and as amended from time to time in line with regulatory requirements, is available on the Company's website at:
https://www.hondaindiapower.com/admin/public/uploads/document/Fzb5y82w4l.pdf

**21. Adequacy of Internal Control over Financial Reporting**

In accordance with Section 134(5)(e) of the Act, and Regulation 17(8) of the Listing Regulations, the Company has established a comprehensive Internal Financial Control ('IFC') framework to ensure the orderly and efficient conduct of its business. This framework encompasses adherence to Company policies, safeguarding of assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

For the financial year ended March 31, 2026, the Board of Directors, based on the review carried out by the Audit Committee and reports of the Statutory and Internal Auditors, is of the opinion that the Company's internal controls over financial reporting is adequate, effective, and commensurate with the nature and scale of its operations. The controls operated effectively throughout the year, and no material weakness in their design or implementation was observed or reported.

To ensure continued robustness, the Company has implemented a structured and ongoing monitoring mechanism to identify potential gaps, risks, and areas for improvement. Wherever necessary, corrective measures are promptly undertaken to strengthen controls and mitigate risks that could materially impact the Company's financial or operational performance.

The IFC framework is supported by documented policies, standards, and procedures, and is reinforced through a rigorous internal audit programme conducted by independent professionals, periodic management reviews, and regular oversight by the Audit Committee of the Board. This multilayered governance mechanism ensures a dynamic, responsive, and resilient internal control environment, consistent with the requirements of the Act, and Listing Regulations.

**22. Corporate Social Responsibility initiatives**

Guided by its core commitment to building sustainable and inclusive communities, the Company undertakes focused Corporate Social Responsibility ('CSR') initiatives aimed at creating meaningful and enduring social impact. The Company's CSR efforts are anchored around the following programmes:

1. **Infrastructure and Soft Skills Development in Local Schools:**

   This initiative aims to enhance the quality of education by improving school infrastructure and providing soft skills training to students in the local areas where the Company operates.

2. **Sustainability and Development in Local Villages:**

   The Company is committed to the overall sustainability and progress of local communities by undertaking projects such as reviving barren, almost dead, green stretches in neighbourhood peripheral roads thus contributing to environmental conservation and community well-being.

3. **Promoting Healthcare:**

   The Company is committed to strengthening rural healthcare infrastructure as part of its CSR vision. Recognizing the critical gaps in access to quality medical services in underserved areas, the company focuses on preventive, primary, and accessible healthcare delivery through targeted interventions.

   A detailed outline of the Company's CSR Policy, along with the CSR activities undertaken during the financial year ended March 31, 2026, is provided in **Annexure D** of this Report.

   The Composition of the CSR Committee is disclosed in the Corporate Governance Report, annexed as **Annexure – E,** which forms part of this Annual Report.

For more information, the Company's CSR Policy can be accessed on our website:
https://www.hondaindiapower.com/admin/public/uploads/document/FA8tCPYKwf.pdf

Additionally, the Chief Financial Officer (CFO) of the Company has certified that the CSR funds disbursed for these projects have been utilized strictly for the purposes and in the manner approved by the Board.

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

The Company has adopted comprehensive policies on the Criteria for Appointment of Directors and Remuneration for Directors, Key Managerial Personnel (KMPs), and all other employees. These policies are periodically reviewed and updated to reflect evolving governance standards and organizational priorities.

The appointment criteria mandate that Directors possess high integrity, proven expertise, and relevant experience, thereby ensuring a diverse, well-informed, and effective Board. In addition, the policies articulate positive attributes and eligibility benchmarks which the Nomination and Remuneration Committee carefully evaluates while recommending candidates for directorship.

The remuneration framework is designed to be fair, transparent, and performance linked, aligning the interests of Directors, KMPs, and employees with the long-term objectives of the Company.

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

**24. Declaration of Independence**

The Independent Directors of the Company have formally certified their independence to the Board, affirming compliance with the criteria prescribed under Section 149(6) of the Act.

Based on these confirmations, the Board is of the considered view that the Independent Directors have duly satisfied the conditions stipulated under the Act and the Listing Regulations. The Independent Directors are independent of the management, possess the requisite qualifications, experience, proficiency, and expertise, and uphold the highest standards of integrity.

Furthermore, the Independent Directors have registered themselves with the Indian Institute of Corporate Affairs ('IICA'), in compliance with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

**25. Directors and Key Managerial Personnel (KMP)**

i) **Retirement by Rotation**

In accordance with the provisions of the Act, and Regulation 17 of the Listing Regulations, Mr. Akihiro Sakurai (DIN: 10570035), Whole Time Director of the Company, is liable to retire by rotation at the forthcoming AGM. Being eligible, he has offered himself for re-appointment, and the Board of Directors recommends his re-appointment.

The necessary resolution for the re-appointment of Mr. Akihiro Sakurai, together with the requisite disclosures in terms of Secretarial Standard 2 and the Listing Regulations, forms part of the Notice convening the AGM.

Further, based on the confirmations received from Mr. Akihiro Sakurai, the Board notes that he is not disqualified from being appointed as a Director under Section 164(2)(a) and (b) of the Act.

ii) **Re-appointment of CMD and President & CEO of the Company**

The shareholders had earlier approved the appointment of Mr. Shigeki Iwama as CMD and President & CEO of the Company with effect from April 1, 2023, for a period of three (3) years.

Subsequently, the Board of Directors, at its meeting held on February 13, 2026, after due consideration of the recommendation of the Nomination and Remuneration Committee and the performance evaluation of Mr. Shigeki Iwama, approved and recommended his re-appointment together with the remuneration payable. Accordingly, Mr. Shigeki Iwama (DIN: 10075458) has been re-appointed as CMD and President & CEO of the Company for a further term of one year commencing from April 1, 2026 and ending on March 31, 2027.

The aforesaid re-appointment of Mr. Iwama was duly approved by the shareholders through postal ballot on April 30, 2026.

iii) **Revision in remuneration of Whole Time Director**

The Board of Directors, based on the annual performance evaluation and after due consideration of Mr. Vinay Mittal's professional background, experience, and continued engagement with the Company, reviewed his remuneration in accordance with the Company's Remuneration Policy and the recommendations of the Nomination and Remuneration Committee.

The Board resolved that Mr. Vinay Mittal shall continue to receive the same salary as presently drawn, for the period commencing April 01, 2026, and ending September 30, 2026 (both days inclusive).

This continuation of remuneration has been duly approved by the Members through postal ballot on April 30, 2026.

The aforesaid Postal Ballot voting results have been uploaded on the Company's website as well as communicated to the Stock Exchange.

**26. Board/Directors' Evaluation**

In compliance with the provisions of the Act, the SEBI Listing Regulations and the framework approved by the Nomination and Remuneration Committee (NRC), the annual performance evaluation of the Board of Directors, its Committees, and individual Directors, including Independent Directors, was carried out for the financial year 2025–26.

The evaluation process was conducted through structured questionnaires designed to assess the functioning of the Board, its committees, individual Directors, CMD and President & CEO.

Separate evaluations were conducted for each Director to ensure comprehensive and constructive feedback. In addition, the Independent Directors convened a meeting on February 13, 2026, to review the performance of Non-Independent Directors, the Board as a whole, and the Chairman.

This evaluation process reflects adherence to the highest standards of corporate governance and regulatory best practices, with the objective of strengthening Board effectiveness and enhancing overall governance maturity.

**27. Directors and Officers Insurance (‘D&O’)**

In accordance with the requirements of Regulation 25(10) of the Listing Regulations, and consistent with good governance practices under the Act, the Company has taken Directors’ and Officers’ (D&O) insurance covering all its Directors and Members of the Senior Management.

**28. Familiarization program imparted to Independent Directors**

Independent Directors are regularly apprised of key developments through Board and Committee Meetings, covering matters such as business strategy, operational performance, manufacturing activities, and regulatory updates. Their views, insights, and recommendations are actively sought and considered, thereby strengthening decision making and governance practices.

Upon appointment, Independent Directors as well as Executive Directors are provided with comprehensive letters of appointment detailing their roles, responsibilities, duties, and expected time commitments. The familiarization and induction programme for Independent and Non-Executive Directors includes interactive sessions with senior management, business and functional heads, as well as periodic visits to the Company’s manufacturing facilities.

In addition to being regularly apprised of key developments through Board and Committee Meetings, all Independent Directors were invited to attend the Company’s Business Partners Convention for FY 2025-26, organised at the Head Office & Works of the Company.

The session featured product displays and live demonstrations, outlining the strategic direction of the Company and providing valuable insights into its vision, key priorities, and future roadmap. This initiative, together with the familiarization and induction programmes, ensures that Independent Directors remain well informed and actively engaged in the Company’s governance and strategic decision-making processes.

Details of the familiarization programme imparted to Independent Directors are available on the Company’s website at

https://www.hondaindiapower.com/admin/public/uploads/document/1C4dd4sZy2.pdf

**29. Board diversity**

In accordance with the provisions of the Act, Regulation 17 of the Listing Regulations, and the Company’s Board Diversity Policy, the Company recognizes the critical role that a diverse Board plays in driving organizational effectiveness and long term success.

The Company’s Board Diversity Policy is available at:

https://www.hondaindiapower.com/admin/public/uploads/document/N6bp7C6ke.pdf

The Company’s continued emphasis on Board diversity underscores its commitment to responsible corporate governance, strengthens stakeholder confidence, and supports deeper engagement with investors and the wider community.

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

The Report of the Statutory Auditors and the Secretarial Auditors for the financial year 2025-26 forms an integral part of this Annual Report. The Reports are unqualified and do not contain any reservation, adverse remark, or disclaimer.

**31. Other Disclosures**

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

**32. Corporate Governance**

The Company has a long standing legacy of ethical governance practices and remains committed to implementing robust corporate governance principles in accordance with the provisions of the Act, and Listing Regulations. These practices are designed to enhance transparency in operations, strengthen accountability, and maximize shareholder value. A comprehensive Report on Corporate Governance is annexed as **Annexure E** and forms an integral part of the Board’s Report.

To ensure compliance with regulatory requirements, the Certificate on Corporate Governance, as stipulated under Schedule V of the Listing Regulations is annexed as **Annexure F & I** to the Board’s Report. These Certification underscores the Company’s commitment to maintaining the highest standards of governance and transparency, consistent with the principles of accountability, fairness, and ethical decision making that are essential for building trust among stakeholders.

**33. Business Responsibility and Sustainability Report**

In accordance with Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report (BRSR) of the Company for the financial year ended March 31, 2026, is annexed as **Annexure J** and forms an integral part of this Annual Report.

The Company continues to strengthen its Environmental, Social, and Governance (ESG) proposition by engaging with all relevant stakeholders and embedding sustainability principles across its operations. This commitment reflects the Company's focus on responsible business conduct, long term value creation, and alignment with evolving regulatory and industry standards.

**34. Sexual Harassment of Women at Workplace**

The Company is committed to fostering a workplace environment free from discrimination and harassment, with particular emphasis on gender equality and inclusivity. In line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the applicable provisions of the Act, and Listing Regulations, the Company has adopted a comprehensive Sexual Harassment Policy that provides clear guidelines for prevention, redressal, and deterrence of such incidents.

An Internal Committee has been duly constituted in accordance with the Act to oversee the implementation and enforcement of the policy. Regular awareness and training sessions are conducted to sensitize employees, strengthen preventive measures, and ensure that associates are fully informed of their rights and responsibilities.

The policy is available on the Company's website at:
https://www.hondaindiapower.com/admin/public/uploads/document/Zv1WRyrybj.pdf

During the financial year under review, no complaints of sexual harassment were reported, reflecting the effectiveness of the Company's preventive framework and its commitment to maintaining a safe, respectful, and inclusive workplace. Furthermore, no complaints remained outstanding from the previous year.

**35. a. Code of Conduct and Ethics**

The Board of Directors has formally adopted a Code of Conduct and Ethics applicable to all Directors and Senior Executives of the Company, pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations.

This Code establishes guiding principles to ensure that the Company's affairs are conducted with integrity, fairness, accountability, and transparency. It prescribes standards of professional conduct in dealings with the Company, fellow directors, employees, and stakeholders, thereby reinforcing the Company's commitment to ethical and responsible governance.

The Code is accessible on the Company's website at:
https://www.hondaindiapower.com/admin/public/uploads/document/852tcJ8g4n.pdf

Further, a declaration signed by the CMD and President & CEO, affirming compliance with the Code by all Directors and Senior Executives, is annexed as **Annexure G** and forms an integral part of the Board's Report.

**b. Code of Conduct on Insider Trading**

Your Company has adopted a comprehensive Code of Conduct in alignment with the SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code prescribes detailed procedures and disclosure requirements governing transactions in the Company's securities. It also sets out the consequences of non-compliance, thereby ensuring that all directors, employees, and connected persons are fully aware of their responsibilities and obligations under the law.

To strengthen adherence to insider trading regulations, the Company organizes periodic training sessions for employees. These sessions provide practical guidance and insights, enabling participants to understand the regulatory framework and comply effectively with the prescribed standards.

This proactive initiative underscores the Company's unwavering commitment to integrity, transparency, and ethical conduct in all aspects of its operations.

**36. Respecting Human Rights**

The Company has adopted a comprehensive Human Rights Policy, which is reinforced by the Code of Conduct, Diversity Policy, and other related governance frameworks. Collectively, these policies promote respect for human rights and are embedded into the Company's day-to-day operations to ensure effective implementation across all levels.

To address concerns or potential violations, the Company has instituted a structured investigation mechanism overseen by the Business Ethics Proposal Line (BEPL)/Business Ethics Committee. This framework ensures that all matters are examined with diligence, transparency, and accountability, thereby upholding the Company's commitment to ethical governance and responsible business conduct.

**37. Secretarial Standards**

During the Financial Year 2025-26 your Company has complied with the mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.

**38. Compliance Management**

Your Company is committed to achieving and maintaining 100% compliance with all applicable laws, rules, and regulations. To ensure ongoing adherence, the Company has instituted a robust Compliance Management System, incorporating early warning mechanisms and a structured escalation matrix. This framework enables proactive monitoring, tracking, and management of compliance requirements across all operational areas.

For transparency and oversight, a comprehensive Compliance Report covering adherence to applicable statutory and regulatory provisions is submitted to the Board of Directors on a quarterly basis. This regular reporting keeps the Board fully apprised of the Company's compliance status, facilitates timely interventions where necessary, and reinforces the Company's dedication to ethical business practices and governance excellence.

**39. Particulars of Employees**

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

**40. Material changes and commitments affecting the financial position of the Company after March 31, 2026**

There were no material changes and commitments affecting the financial position of the Company after March 31, 2026.

**41. Change in the Nature of Business, if any**

During the year under review, there was no change in the nature of business of the Company.

**42. Compliance with the Maternity Benefits Act, 1961**

During the financial year under review, the Company has duly complied with all applicable provisions of the Maternity Benefit Act, 1961.

**Acknowledgements**

The Board of Directors would like to extend its heartfelt appreciation to all employees of the Company for their unwavering commitment and dedicated service. Your hard work and contributions have been instrumental in driving the Company's success.

The Board also expresses its sincere gratitude to the banks, government and regulatory authorities, stock exchanges, customers, vendors and Members for their invaluable assistance and cooperation during the year under review. Your support has been vital in enabling the Company to achieve its goals and uphold its values of excellence and integrity.

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

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

**Date: May 26, 2026**
**Place: New Delhi**

# MANAGEMENT DISCUSSION & ANALYSIS REPORT

## DOMESTIC BUSINESS

### GENERATOR

- India today is the 4th largest economy in the world and is striving to become 3rd largest economy by 2030. Government's initiative is to promote self-reliance through Atmanirbhar Bharat program with emphasis on boosting domestic production, digitalize the economy and create a world class infrastructure.
- Weather related power outages continue to drive demand for generators as backup power sources. At the same time, the use of portable generators for primary applications is increasing—particularly in mobile utility vans and doorstep services such as mobile salons, pet grooming, and food trucks. Additionally, portable generators are being widely adopted for charging drones, which have diverse applications across agriculture and defense fields.
- However, generator sales for backup power in small hotels and homestays in Jammu & Kashmir were adversely affected following the unfortunate Pahalgam attacks, which led to a sharp decline in tourist inflow.
- Corporate and Institutional demand remained subdued this year due to deferment of funds but is expected to recover in this fiscal.

**Opportunities**

- Demand for portable generators, driven by uses such as milking, chilling, and leisure activities like camping, in addition to weather-related disruptions, is expected to remain strong. This is likely to support the company in sustaining its leadership in the portable generator segment, while continuing to deliver reliable power solutions to a broad and diverse customer base across India.
- Economic activity and operations, particularly among small and medium sized businesses are picking up, with demand for portable backup power expected to grow steadily.
- The Company's promotional efforts, focused on urban, semi-urban, and rural markets, aim to tap into evolving lifestyle and comfort needs, and are expected to support deeper penetration of its efficient and reliable offerings across a wider customer base.

**Concerns**

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

**Outlook**

- The growing demand for portable power backup solutions and the expanding use of generators across new applications will help your company sustain volumes and strengthen its leadership position in the generator category.

### GENERAL PURPOSE ENGINES AND WATER PUMPING SETS

- The unseasonal and uneven distribution of the monsoon led to increased water pump sales during FY 2025-26, particularly across eastern, central, and southern markets. However, delays in ongoing state and central government support programs for the farming and fisheries sectors impacted the overall process, especially in terms of the timely release of government funds.
- The Company offers a diverse range of water pumps with outlet sizes ranging from 1.5 inches to 4 inches, enabling the Company to provide optimal solutions for farmers dealing with bulky diesel water pumps. Unmatched fuel efficiency, reliability and portability, offered by Honda brand of Water Pumps continues to be preferred choice by our valued customers.
- Sales of 2-inch water pumps crossed the milestone of 60,000+ units during the financial year, helping the Company maintain its leadership position in the water pump segment.
- Mechanization in the construction segment, particularly for small, portable, and compact machines, witnessed healthy growth driven by the continued focus on overall infrastructure development.
- In the previous financial year, the Company launched concrete cutters and plate compactors for the construction industry, concrete cutters offer standardized solution for efficient groove cutting to accommodate thermal expansion in concrete roads while plate compactors help in achieving effective floor compaction for laying strong foundations.
- Building on its success in global markets, the Company is actively working to expand its footprint in the construction segment by introducing more engine driven applications. These efforts are aimed at improving construction efficiency and speed, in line with the Government's vision of developing world class infrastructure and sustaining the momentum in one of the world's fastest growing economies.
- The Company has also introduced a backpack sprayer model for applications such as spraying various plant protection liquids in the agriculture segment and equipment washing purposes, along with a crop harvester designed for the quick and efficient harvesting of various crops.
- The Company targeted reach in coastal areas and waterways by expanding engine driven long tail boat application for small and medium sized boats navigating the inland waterways and offshore fishing with the introduction of Honda GX powered long tail boat, thereby accelerating shift from manual to mechanized propulsion process.

- The Government's planned investments in irrigation and infrastructure projects are expected to drive demand for fuel-based engines. In addition, continued supply chain requirements for agricultural produce and products have sustained the demand for farm operations, supporting products and services.
- The Company's demonstration activities, supported by dedicated demonstration vans and manpower deployment for recently launched products in the agriculture and construction segments, have been well received. These initiatives are helping customers realize the benefits of portable and cost effective solutions for timely land preparation, de-weeding, and irrigation needs, while also offering portable, environment friendly, and economical alternatives in the diesel dominated construction machinery segment.

**Opportunities**

- Increasing investments in infrastructure, focusing on timely delivery of projects, remained one of the key factors driving the growth of the construction market in India.
- The increasing focus on harnessing available surface water for agricultural irrigation is expected to continue driving demand for portable water pumps in the agriculture segment.
- Construction mechanization, through Honda's portable GX engines run applications and farm mechanization products such as engines, water pumps, brush cutters, power tillers and crop harvesters will accelerate shift to mechanization with decreasing farm labour and will fuel the demand of portable machinery. Expected continuity in Government support will provide much needed fillip for our product portfolio and offerings.
- Growing awareness to address environmental concerns brings in demand for more fuel-efficient 4 stroke engine powered applications.

**Concerns**

- Subsidy policies of the State and Central Government along with associated operational process remain a concern as they lead to delays timely delivery of goods to the end customers. The Company continues to closely engage with various government stakeholders through its field teams to gain a deeper understanding of the process and contribute to faster implementation of government schemes, thereby supporting farmers in their decision to adopt portable farm solutions for various agricultural activities.

**Outlook**

- The infrastructure sector in India is expected to gain stronger momentum in the coming years, supported by increased investments in national highways, warehousing, airports, and urban and rural housing projects.
- The Company is focused on developing a multi-channel structure across various segments to expand its application oriented product and equipment portfolio. Partnerships with small, medium, and specialized players, as well as OEMs, are expected to create a robust ecosystem that enhances cost competitiveness and strengthens application specific product sales and services.

**BRUSH CUTTERS**

- Honda's fuel-efficient and reliable 4-stroke brush cutters are specifically designed to provide optimal solutions for various farm activities such as de-weeding and crop harvesting.
- The Company continues to offer its environmentally friendly 4-stroke brush cutter range for routine de-weeding operations and farm and real estate management across all major markets in India.
- Its complete portfolio, comprising fixed shaft, flexible shaft, and high-powered variants, provides tailored solutions to meet the needs of professional users.
- Your company has also launched a crop harvester machine suitable for the efficient harvesting of fodder crops, specifically to meet a long-standing demand from small and marginal farmers.

**Concerns**

- Subsidy policies of the state and central governments, along with associated operational complexities, are leading to delays in purchases by end customers.
- The influx of low cost imported brush cutters, primarily from China, has disrupted pricing in the market. The Company will focus on communicating the advantages of its 4-stroke technology, which delivers significant savings in total cost of operation, while also highlighting product quality through proactive marketing campaigns in key focus markets. This approach is expected to support efforts to stabilize market pricing.

**TILLERS**

- The Company's focus on agricultural mechanization was strongly supported by its expanding range of power tillers.
- However, the financial year 2025–26 proved challenging for the overall tiller market due to delays in the implementation of various subsidy schemes by the Central and State Governments, driven by complex disbursement processes, which led to lower end customer purchases. Customers also deferred their purchases in anticipation of scheme releases during the season, which were subsequently delayed.

**EXPORT BUSINESS**

- Overall Export Business was 130% of the plan set at the beginning of the year.
- 2~3Kva Generator models sales in Canada, USA, Australia, Japan, Europe, and Indonesia was major business driver amongst genset-category.
- The Company actively participated in the Ethiopia Trade Expo held at Addis Ababa from 4th to 8th February 2026. The Company showcased its diverse portfolio of power products and suitability for African markets.

- Water Pump and Tiller sales are showing increasing acceptability in Asia Oceania Region.

**Concerns**

- Frequent changes in USA import tariffs have impacted the certainty and price competitiveness, potentially influencing demand and order inflows.
- Stricter CARB/EPA /CPSC regulations are impacting the prospective sales.
- Competition from global players with optimized supply chains, logistic routes, and aggressive pricing remains a key challenge, especially in new and emerging markets where price sensitivity is high.

**Outlook**

- The Company will continue to strengthen engagement with channel partners to expand reach and drive demand for gasoline-fueled Tillers, Engines, and Water Pumps.

**FINANCIAL PERFORMANCE**

Profit before Tax and Exceptional Items for the year was Rs. 9,569 Lakh as against Rs. 10,770 Lakh in 2024-25.

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

| | FY 2025-26 | FY 2024-25 | Reason for Change |
|---|---|---|---|
| Net Profit Margin (%) | 7.42% | 10.06 | Decrease in net profit margin is due to higher material cost and exceptional item (new direct wage code). |

The return on net worth during the Financial Year 2025-26 was 6.28% as compared to 9.54% in the Financial Year 2024-25.

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

**HUMAN RESOURCES**

Human capital remains a critical driver of the Company's long-term value creation and competitive advantage. During the year, the Company continued to strengthen its people practices with a focus on capability building, leadership development, and fostering a high-performance culture aligned with its strategic priorities.

The Company is committed to maintaining a diverse, equitable, and inclusive workplace. Focused initiatives were undertaken to enhance gender diversity, ensure equitable access to opportunities, and promote an inclusive organizational culture across all levels.

The Company continues to review and enhance its HR policies in line with evolving workforce expectations and regulatory requirements. Progressive practices such as hybrid working models, flexible work arrangements, and inclusive leave policies (including paternity leave) have been further strengthened during the year to support employee well-being and work-life integration.

In line with its sustainability agenda, the Company has accelerated its **Green HRM initiatives** through increased digitalization of HR processes, minimizing paper usage and improving operational efficiency.

Talent management remains a key priority area, with structured interventions in leadership development, succession planning, and capability enhancement. The Company continues to invest in building a future-ready workforce while ensuring strong alignment with business objectives.

The Company maintains a constructive and collaborative industrial relations environment. Regular engagement forums and structured communication channels enable effective dialogue between management and employees, ensuring timely resolution of concerns and alignment on organizational priorities.

Employee health, safety, and well-being continue to be of paramount importance. The Company has strengthened its safety governance framework and continues to promote a culture of safety through training, awareness, and preventive measures.

The Company as on March 31, 2026, had 711 associates.

**ESG & Responsible Business**

The Company's human capital practices are aligned with its broader ESG framework, with a strong focus on:

- Enhancing workforce diversity and inclusion
- Ensuring safe and healthy working conditions
- Promoting continuous learning and employability
- Driving digital and sustainable HR practices

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company's CSR initiatives are guided by its commitment to inclusive growth and sustainable development. During the year, CSR interventions were undertaken in the areas of education, community development, and environmental sustainability.

The Company remains committed to creating measurable and sustainable social impact through its CSR programmes.

**INFORMATION TECHNOLOGY**

The Company continues to strengthen its technology and information security framework in response to the evolving digital risk landscape. With increasing cyber threats and regulatory expectations, the focus remains on ensuring data security, operational resilience, and business continuity.

During the year, the Company enhanced its IT governance and cybersecurity posture through:

- Strengthening of information security policies and controls
- Deployment of advanced monitoring and threat detection systems
- Regular vulnerability assessments and risk audits

The Company continues to invest in scalable and secure digital infrastructure to support operational efficiency and business growth.

The Company remains committed to continuous improvement of its IT systems and processes to ensure robust data protection, regulatory compliance, and seamless business operations.

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

**A. Conservation of energy**

| | | |
|---|---|---|
| (i) | The steps taken for impact on conservation of energy | Following energy conservation measures were taken to reduce the energy consumption:<br>1. Reduction in energy consumption by installation of IGBT switching in placed of contractor-based switching for heater operation in varnish machine at alternator shop, resulting in saving of 11,424 KWH per year.<br>2. Installation of energy efficient mist collector on grinding machine in Aluminium Shop resulting in saving of 22,364 KWH per year.<br>3. Reduction in energy saving by optimization of dust collector frequency resulting in saving of 3,936 KWH per year.<br>4. Reduction in energy consumption by optimization of blower motor frequency of 900 Ton PDC machine at PDC shop resulting in saving of 2,711 KWH per year.<br>5. Reduction in energy consumption by optimization of blower motor frequency of dry off oven & bake-off oven in Paint shop, this resulted in saving of 4,318 KWH per year.<br>6. Reduction in energy consumption by replacement of assembly line tube lights with energy efficient LED lights, this resulted in saving of 14,710 KWH per year.<br>7. Reduction in energy consumption by optimization of coolant motor running frequency in CNC Machine at Aluminium Shop. This resulted in saving of 18,676 KWH per year.<br>8. Reduction in Fuel consumption by implementation of thermal Painting on PDC furnace machines, resulting in saving of PNG gas consumption 5,890 SCM per year. |
| (ii) | The steps taken by the Company for utilizing alternate sources of energy | Successfully completed the feasibility study of Solar Power Plant of 300 KW capacity in the year 2023-2024. The project implementation will start in FY 2029-2030. |
| (iii) | The capital investment on energy conservation equipment | Following capital investments were made for energy conservation equipment:<br>Rs. 7.9 Lakh: Procurement of energy efficient Mist Collector unit<br>Rs. 40.0 Lakh: Installation of Dust Collector unit. |

**B. Technology Absorption**

| | | |
|---|---|---|
| i) | The Effort Made Towards Technology Absorption | 1. Upgradation of technical knowledge of associates by using technical expertise of Honda Motors Co. Ltd. by way of on-the-job training and guidance to the Company's engineers and technicians.<br>2. For development of the new technology model and to improve the manufacturing quality of in-plant / out plant parts, new manufacturing facility has been added in the following areas:<br>a. Adoption of global concept for domestic Engines & Gensets with E10 and subsequently rollout plan for E20 Gasoline.<br>b. Increasing the process efficiency by adopting Global Honda Standards.<br>c. Upgrading existing Generator models to continuously meet the Regulations of advance countries such as: -<br>• EPA/ CARB /CPSC regulation for the USA Market.<br>• ANSI /PGMA G300 Regulation for the USA Market.<br>• Cyber security regulation for EU Market.<br>d. Developing new electrified power unit for Japan, US, EU and other advanced nations. |
| ii) | The Benefits Derived Like Product Improvement, Cost Reduction, Product Development or Import Substitution | The benefits derived related to:<br>a. Meeting customer as well as regulatory requirement in all product ranges.<br>b. Producing environment friendly product by managing hazardous substance.<br>c. Cost reduction through import substitution, benchmarking, Value Addition, Value Engineering & localization with the support of HM Japan. |

| | | |
|---|---|---|
| | | d. Enhancement of the sales feature of the products.<br>e. Product packing optimization leading to cost reduction. |
| iii) | In case of Imported Technology | Following information is furnished in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): |
| a) | The Details of Technology Imported | For Manufacturing/ testing of Power Products. |
| b) | The Year of Import | Technology is being imported since beginning of the collaboration agreement dated 18.10.1985, as is renewed/revamped from time to time and valid for a period of 5 years till March 31, 2027. |
| c) | Whether the Technology<br>Been Fully Absorbed | No, this is a continuous process. |
| d) | If Not Fully Absorbed, Area Where Absorption has not taken place and the reasons thereof | Technology is further to be absorbed for localization of high technology engine components and in producing the country's specific products / models like:<br>- For Engines- OHV Technology- Increase the efficiency of parts by Value Engineering.<br>- For Generator – Fuel Injection system, Inverter and GCU technology.<br>- To increase the value of the product, Bluetooth and CO sensor enabled product development for US and Bluetooth enabled products for US, EU and other advanced nations<br>- For Water Pump- high performance self-priming pumps for Indian farmers.<br>- Adopting the technology for electrified power unit products into the operations |
| iv) | The expenditure incurred on Research and Development | NIL |

**(C) Foreign Exchange Earning and Outgo**

During the year the total foreign exchange used was Rs. 19,065 lakh and the total foreign exchange earned was Rs. 19,038 lakh.

**Annexure C to Board's Report**

## SECRETARIAL AUDIT REPORT
## FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2026

***[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]***

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Honda India Power Products Limited** (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 March 31, 2026 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 March 31, 2026 according to the provisions of:

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

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

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

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

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

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act, 2013 and dealing with the client

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021

(h) The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. and

(j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

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

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

(b) The Boilers Act, 2025 and Rules made thereunder;

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

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

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

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

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

**(iii)** Codes and Policies adopted by the Company.

**We further report that** during the period under review the following Act, Rules, Regulations and Guidelines were not applicable to the Company:

**(i)** The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

**(ii)** The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

**(iii)** The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; and

**(iv)** The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and

**(v)** The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

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

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

**We further report that** adequate notice is given to all directors to schedule the Board/ Committee Meetings at least seven days in advance followed by agenda and detailed notes on agenda 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. All decisions carried by the Board/Committee do not have any dissenting views and hence, no relevant recordings were made in the minute book maintained for the purpose.

**We further report that** during the audit period, pursuant to the approval of the shareholders at the 40th Annual General Meeting held on September 25, 2025, the Object Clause of the Memorandum of Association of the Company was altered by insertion of a new clause. Necessary filings and intimations in this regard were duly made with the Registrar of Companies and the Stock Exchange(s).

**For TVA & Co. LLP**
**Company Secretaries**
**LLPIN: AAE-9329**
**Sd/-**
**Tanuj Vohra**
**Partner**
**M. No.: F5621, C.P. No.: 5253**
**UDIN: F005621H000491942**

**Date: 26.05.2026** **PR No-6544/2025**
**Place: Delhi** **UC: L2015UP000900**

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

**Annexure-A**

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

1. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the various compliances but the maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion and the compliance of the provisions of Corporate and other applicable Laws, Rules and Regulations is the responsibility of the management of the Company. Our examination was limited to the verification of procedures on test basis.
3. We have not verified the correctness and appropriateness of the financial records and Books of accounts of the Company.
4. We have obtained necessary management representation about the compliance of various laws, correctness of information shared and happening of events, wherever required.
5. Compliance with respect to the filings of various Reports, Returns, Forms, Certificates and Documents under the various statutes as mentioned in our report is the responsibility of the management of the Company. Our examination was limited to checking the execution and timeliness of filing and we have not verified the contents of such Reports, Returns, Forms, Certificates etc.
6. Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For TVA & Co. LLP**
**Company Secretaries**
**LLPIN: AAE-9329**
**Sd/-**
**Tanuj Vohra**
**Partner**
**M. No.: F5621, C.P. No.: 5253**
**UDIN: F005621H000491942**
**PR No-6544/2025**
**UC: L2015UP000900**

**Date: 26.05.2026**
**Place: Delhi**

**Annexure – D to Board's Report**

## Annual Report on Corporate Social Responsibility (CSR) Activities for the Financial Year 2025-2026

1. **Brief outline on CSR Policy of the Company**

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

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

- To operate the Company's business in an economically, socially and environmentally sustainable manner.
- To contribute to society at large by way of enhancing infrastructure and developing of soft skills in schools for their development and generation of income.
- To ensure that CSR funds are allocated and utilized in a planned manner, so as to derive sustainable long-term benefits to the Community at large.

**Focus areas:** Your Company continued to drive its CSR initiatives with special emphasis on projects dedicated to enhancing infrastructure and developing soft skills in schools located in the communities surrounding the Company. In addition, the Company undertook initiatives for Green Area Development and implemented road safety interventions in the areas surrounding its operations, reaffirming its commitment to sustainability and environment protection.

2. **Composition of CSR Committee:**

| S. No. | Name of Directors | Designation | Number of meetings of CSR Committee held during the year | | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|---|
| | | | S. No. of Meeting | Date of Meeting | |
| 1. | Mr. Shigeki Iwama | Chairman | 1 | February 13, 2026 | 1 |
| 2. | Mr. Ravi Prakash Mehrotra | Member | | | 1 |
| 3. | Mr. Vinay Mittal | Member | | | 1 |

During the financial year, two (02) Resolutions by Circulation were passed by the CSR Committee on August 06, 2025 and November 12, 2025.

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

The current composition of CSR Committee is available at

https://www.hondaindiapower.com/admin/public/uploads/document/rZ8a535dHm.pdf

The CSR Policy and the details of approved projects are available at

https://www.hondaindiapower.com/admin/public/uploads/document/FA8tCPYKwf.pdf and

https://www.hondaindiapower.com/admin/public/uploads/document/2IG1s17Ql3.pdf respectively.

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

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

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

6. **Average Net Profit of the Company as per Section 135(5):** Rs.12,569 Lakh

7. (a). **Two percent of average Net Profit of the Company as per Section 135(5):** Rs. 251.40 Lakh

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

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

(d). **Total CSR obligation for the Financial Year (7a+7b-7c):** Rs. 251.40 Lakh

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

| Total Amount Spent for the Financial Year. (in Lakh) | Amount Unspent (in `) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per Section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 251.40 | - | - | - | - | - |

**(b).** Details of CSR amount spent against ongoing projects for the Financial Year: 2025-26

(₹ **in Lakh**)

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| S. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/ No) | Location of the project | | Project Duration | Amount allocated for the project | Amount spent in the current Financial Year for the project | Amount Transferred to Unspent CSR Account for the Project as per Section 135(6) | Mode of Implementation –Direct (Yes/ No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration Number |
| No ongoing projects were undertaken for the FY 2025-26. | | | | | | | | | | | | |

(c). **Details of CSR amount spent against other than ongoing projects for the Financial Year:** Rs. 251.40 Lakh

(d). **Amount spent in Administrative Overheads:** Nil

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

(f). **Total amount spent for the Financial Year (8b+8c+8d+8e):** Rs 251.40 Lakh

(g). **Excess amount for set off:**

| S. No. | Particulars | Amount (Rs. in Lakh) |
|---|---|---|
| (i) | Two percent of average Net Profit of the Company as per Section 135(5) | 251.40 |
| (ii) | Total amount spent/transferred to unspent CSR Account for the Financial Year | 251.40 |
| (iii) | Excess amount spent for the Financial Year [(ii)-(i)] | 0 |
| (iv) | Surplus arising out of the CSR Projects or Programs or Activities of the previous Financial Years, if any | 0 |
| (v) | Amount available for set off in succeeding Financial Years [(iii)-(iv)] | 0 |

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

| S. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under Section 135 (6) (Rs.in Lakh) | Amount spent in the reporting Financial Year (Rs. in Lakh) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in the succeeding Financial Years (Rs. in Lakh) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amt (in Rs.) | Date of transfer | |
| 1 | 2023-24 | 210 | 0 | NA | | | 98.90 |
| 2 | 2024-25 | 246* | 245.10 | NA | | | 0 |

*Rs. 0.90 Lakh has been utilized during the preceding financial year 2024–25

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

| S. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project Duration | Total amount allocated for the project (in Rs. Lakh) | Amount spent on the project in the reporting Financial Year (in Rs Lakh) | Cumulative amount spent at the end of reporting Financial Year (in Rs. Lakh) | Status of the project-Completed /Ongoing |
|---|---|---|---|---|---|---|---|---|
| 1 | - | Education<br>Environment Sustainability | 2023-24 | | 210 | 0 | 111.10 | Ongoing |
| 2 | - | Education<br>Environment Sustainability | 2024-25 | | 246 | 245.10 | 246 | Completed |

**10.**

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

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

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

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

**Annexure-E to Board's Report**

# REPORT ON CORPORATE GOVERNANCE

1. **Company's Philosophy on Code of Governance**

The Company is committed to upholding the highest standards of corporate governance, guided by integrity, transparency, and accountability. Its governance framework goes beyond statutory compliance and reflects a strong value system that promotes ethical conduct, robust internal controls, and timely disclosures in the interest of all stakeholders. The Board ensures effective oversight through informed decision making, independence, and balanced composition, reinforcing the Company's belief that good governance is a continuous and evolving responsibility.

2. **Board of Directors**

The Company's Board of Directors ("Board") are responsible for ensuring that the Company is managed in a well-balanced manner that fulfils stakeholders' aspirations, attains sustainable growth, and adopts best corporate governance practices. The Board is further supported by Board Committee(s) who diligently and effectively discharge duties assigned by the Board. The Company has established systems, procedures and policies to ensure that its Board of Directors is well informed and well equipped to discharge its overall responsibilities and provide the Management with the strategic direction catering to exigency of long-term shareholders' value.

**Composition and Category of Board of Directors as on March 31, 2026**

In line with the applicable provisions of the Companies Act, 2013 ('Act'), including any statutory modification(s) or re-enactment(s) thereof for time being in force and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), your Company's Board has an optimal composition that includes both Executive and Non-Executive Directors. The composition and strength of the Board is reviewed from time to time to ensure that it remains aligned with statutory and business requirements.

**Board Meetings**

The notice and detailed agenda for Board meetings, along with relevant notes and other material information, are circulated to each Director in advance, which enables the Board to make timely and informed decisions. The quantum and quality of information supplied by the Management to the Board goes well beyond the minimum requirement stipulated under the Act, Secretarial Standards and the SEBI LODR.

Where expedient, the Board also approves Resolutions by way of circulation between two successive Board meetings, as permitted by law, which are noted in the subsequent Board Meeting.

The Company priorities effective governance by planning meetings well in advance and carefully aligning schedules with regulatory requirements. Predetermined dates are strategically chosen to maximize director's availability, ensuring broad participation. The Agenda of the Board or Committee Meetings is set by the Company Secretary in consultation with the Management of the Company.

During the period under review, Four (4) Board meetings were held on May 19, 2025, August 12, 2025, November 13, 2025, February 13, 2026. The maximum time gap between two consecutive meetings did not exceed one hundred and twenty days. The requisite quorum was present for all Board meetings.

During the financial year, two resolutions by circulation were passed by the Board of Directors dated August 09, 2025 and December 12, 2025.

The following table shows attendance of Directors at Board meetings, attendance at last annual general meeting, number of shares held in the Company and number of other directorships, chairmanships/ memberships of Board committees in various other companies as on March 31, 2026:

| S. No. | Name of Director/ Member | Category# | Attendance at the last AGM | No. of Board Meetings attended | Number of Directorship in other public Companies | Number of Directorship in other listed companies | Name of other listed companies where he/she is a Director | Category of Directorship in other listed companies | Number of Committee Membership including (Chairpersonship) | Number of shares held |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Shigeki Iwama | Non-ID/ED | Yes | 4 | Nil | Nil | NA | NA | 2(Nil) | Nil |
| 2 | Vinay Mittal | Non- ID /ED | Yes | 4 | Nil | Nil | NA | NA | 1 (Nil) | Nil |
| 3 | Akihiro Sakurai | Non-ID/ED | Yes | 4 | Nil | Nil | NA | NA | Nil (Nil) | Nil |
| 4 | Yasuhiro Takabatake | Non- ID / NED | Yes | 4 | Nil | Nil | NA | NA | Nil (Nil) | Nil |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 5 | Ravi Prakash Mehrotra | ID/NED | Yes | 4 | Nil | Nil | NA | NA | Nil (2) | 200 |
| 6 | Anuradha Dutt | ID/NED | Yes | 3 | 01 | 01 | Mawana Sugars Limited | Independent Director | 1(1) | Nil |
| 7 | Nitin Savara | ID/NED | Yes | 4 | 01 | 02 | 1. Campus Active Wear Limited<br>2. Physicswallah Limited | Independent Director<br>Independent Director | 3(2) | Nil |
| 8 | Balachandran Dharman | ID/NED | Yes | 4 | Nil | Nil | NA | NA | Nil (Nil) | Nil |

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

**Note**:

a. Directorships held by Directors as mentioned above do not include Alternate Directorship, Directorships of Foreign Companies, Section 8 Companies and Private Limited Companies.

b. In accordance with Regulation 26(1)(a) of SEBI LODR, for the purpose of number of Membership (Chairpersonship) of Audit Committee and Stakeholders Relationship Committee of Public Limited Companies have been considered.

c. None of the Directors is a member of more than ten Board Level Committees of Public Limited Companies in which they are Directors, nor are they Chairperson of more than five such Committees.

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

Mr. Ravi Prakash Mehrotra, Independent Director, Chairperson of the Audit Committee and Stakeholders Relationship Committee and Ms. Anuradha Dutt, Independent Director, Chairperson of the Nomination & Remuneration Committee, attended the Annual General Meeting of the Company held on September 25, 2025, through audio-visual means.

The Company does not pay any remuneration to its Independent Directors except sitting fee of Rs.1,00,000/- (Rupees One Lakh only) per Meeting for attending the Meetings of the Board, Rs. 60,000/- (Rupees Sixty Thousand only) per Meeting for attending the Meetings of the Audit Committee and Rs. 50,000/- (Rupees Fifty Thousand only) per Meeting for attending Meetings of its other Committees. No commission on the net profit of the Company is paid to any Director. There are no pecuniary relationships or transactions of the Non-Executive Directors except sitting fees being paid to the Non-Executive Independent Directors in compliance with the Act and SEBI LODR. The Company, from time to time, also avails legal and other consultancy services from M/s DMD Advocates, where Ms. Anuradha Dutt, an Independent Director of the Company, serves as the Managing Partner. Accordingly, apart from the sitting fees received by Ms. Dutt in her capacity as a Director, professional fees are also paid by the Company to M/s DMD Advocates for the services rendered. All such transactions are undertaken with the prior approval of the Audit Committee, in compliance with Regulation 23 of SEBI LODR.

**Board Skills, Expertise and Competencies:**

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

| | Mr. Ravi Prakash Mehrotra | Ms. Anuradha Dutt | Mr. Nitin Savara | Mr. Balachandran Dharman | Mr. Shigeki Iwama | Mr. Akihiro Sakurai | Mr. Vinay Mittal | Mr. Yasuhiro Takabatake |
|---|---|---|---|---|---|---|---|---|
| **General** | | | | | | | | |
| Board efficiency and effectiveness | √ | √ | √ | √ | √ | √ | √ | √ |
| General management | √ | √ | √ | √ | √ | √ | √ | √ |
| Global/Emerging Markets management experience | - | - | √ | √ | √ | √ | √ | √ |
| **Governance** | | | | | | | | |
| Understanding of legal, ethical and fiduciary duties | √ | √ | √ | √ | √ | √ | √ | √ |
| Risk Management | √ | √ | √ | √ | √ | √ | √ | √ |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Technical** | | | | | | | | |
| Health and Safety | - | - | - | - | √ | √ | √ | √ |
| Supply Chain | - | - | - | - | √ | √ | √ | - |
| Marketing, Sales and Customer Service-in relation to power products industry | √ | - | - | √ | √ | - | - | - |
| **Financial** | √ | √ | √ | √ | √ | - | √ | - |
| Manufacturing/Engineering acumen | - | - | - | √ | - | √ | - | - |
| **Industry Experience** | | | | | | | | |
| Manufacturing | √ | - | - | √ | √ | √ | √ | √ |
| Logistic/ Distribution/ Supply Chain | - | - | - | - | √ | √ | √ | - |
| International Trade | √ | - | - | - | √ | - | - | - |
| **Diversity** | | | | | | | | |
| Optimal mix of skills, expertise and experience | √ | √ | √ | √ | √ | √ | √ | √ |

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

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

**Familiarization Programme for Independent Directors**

In accordance with the Familiarization Programme for Independent Directors of the Company, the Independent Directors are provided with comprehensive access to information pertaining to the Company. During Board and Committee Meetings, the Directors are regularly familiarised with the Company's business operations, regulatory and statutory occurring and compliances, amendments in applicable laws and regulations, emerging governance requirements, and other relevant developments. Structured presentations and discussions during these meetings enable the Directors to gain a clear and in-depth understanding of the Company's business environment and operational framework, thereby supporting informed decision-making and effective oversight. Independent Directors are also encouraged to interact with the Company's management during Board/Committee meetings or through separate engagements.

During the year, the Company celebrated its 40$^{th}$ anniversary, on which occasion all Independent Directors were invited to participate. As part of the celebrations, the Company showcased its key business achievements, strategic milestones, future roadmap, and advancements in technology. Detailed presentations and interactions were conducted to provide the Directors with an in-depth understanding of the Company's growth journey, long-term vision, and technological initiatives, thereby further strengthening their familiarity with the Company's operations and strategic direction.

The details of Familiarization Programme in terms of Regulation 25(7) of the SEBI LODR are available on the website of the Company and can be accessed at https://www.hondaindiapower.com/admin/public/uploads/document/1C4dd4sZy2.pdf

**Meeting of Independent Directors**

During the year, the Independent Directors (IDs) met once on February 13, 2026, without the presence of Non-Independent Directors and members of the Management. All Independent Directors were present at the meeting to review the performance of the Non-Independent Directors including the Chairman of the Board and performance of the Board as a whole and also assess the quality, quantity and timeliness of the flow of information between the Company's management and the Board.

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

**Particulars of Senior Management**

Senior Management of the Company consist of Sr. Vice President, Vice President, Sr. Japanese Advisors, Chief Financial Officer, Company Secretary & Compliance Officer, Head of General Affairs, Head of Quality Assurance, Head of Accounts and Finance, and Head of Import & Export.

During the year, there was no change in the particulars of Senior Management.

**Committees of the Board**

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

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

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

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

**i. Audit Committee**

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

The composition of the Audit Committee and terms of reference meet with the requirements of Regulation 18 of the SEBI LODR and provisions of the Act. The terms of reference to the Audit Committee as approved by the Board are available on the Company's website at https://www.hondaindiapower.com/admin/public/uploads/document/fK9vE52pc6.pdf.

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

The Company Secretary acts as the Secretary to the Committee.

During the Financial Year 2025-26, four (4) meetings of the Audit Committee were held on May 19, 2025, August 12, 2025, November 13, 2025 and February 13, 2026.

During the year one (1) Resolution by Circulation was passed by Audit Committee on January 05, 2026.

The details of the composition, meetings and attendance at the Audit Committee meetings are given hereunder:

| Name of the Members | Category | Position in the Committee | Number of Meetings Attended |
|---|---|---|---|
| Mr. Ravi Prakash Mehrotra | ID/NED | Chairperson | 4 |
| Mr. Nitin Savara | ID/NED | Member | 4 |
| Mr. Shigeki Iwama | Non-ID/ED | Member | 4 |

**ii. Nomination and Remuneration Committee**

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

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

The Committee further formulates the criteria for evaluation of the performance of the Independent Directors. In compliance with requirements of the Act, the Constitution, terms of reference, role and scope of Committee are in line with those prescribed by the Act and Regulation 19 of SEBI LODR and are available on the Company's website at

https://www.hondaindiapower.com/admin/public/uploads/document/fK9vE52pc6.pdf.

The Company Secretary acts as the Secretary to the Committee.

During the Financial Year 2025-26, the Nomination & Remuneration Committee met once on February 13, 2026 in compliance with the applicable laws. The Board accepted all the recommendations made by the Nomination & Remuneration Committee. The composition of the Nomination & Remuneration Committee as on March 31, 2026, and the attendance of the Members at the aforesaid meeting are as under:

| Name of the Member | Category | Position in the Committee | Number of Meetings Attended |
|---|---|---|---|
| Ms. Anuradha Dutt | ID/NED | Chairperson | 1 |
| Mr. Nitin Savara | ID/NED | Member | 1 |
| Mr. Ravi Prakash Mehrotra | ID/NED | Member | 1 |

**Performance Evaluation Criteria**

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors and other Directors, the Board as a whole and the Committees thereof. The criteria for performance evaluation cover the areas relevant to their functioning as Independent Directors or other Directors, Member of Board or Committees of the Board. In accordance with the evaluation framework laid down by the Nomination and Remuneration Committee, the Board of Directors undertook the evaluation of its own performance, its committees and all the individual Directors, including Independent Directors. The evaluation of the performance of each Director was based on level of participation in Meetings, contributions to discussions and exercise of independent judgment.

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

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

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

**Details of remuneration paid to Directors for the year 2025-2026**

**A. Executive Directors**

The details of the remuneration paid to the Whole Time Director(s) during the financial year 2025-26 are as under:

**(Amount in Rs.)**

| Name | Salary | Benefits | Bonus | Stock Options | Pension | Fixed Components | Variable Pay | Service Contract |
|---|---|---|---|---|---|---|---|---|
| Mr. Shigeki Iwama | 9,00,000 | 1,50,28,873 | - | - | - | 1,14,30,000 | - | 01.04.2026 to 31.03.2027 |
| Mr. Vinay Mittal | 1,09,36,428 | 51,67,865 | - | - | - | 1,00,25,061 | 16,65,197 | 01.04.2022 to 31.03.2027 |
| Mr. Akihiro Sakurai | 9,00,000 | 1,31,67,988 | - | - | - | 95,25,000 | - | 20.04.2024 to 19.04.2027 |

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

**B. Non-Executive Directors**

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

Details of sitting fees paid to the Independent Directors during the financial year 2025-26 for attending the Meetings of Board of Directors and of its committees were as under:

**(Amount in Rs.)**

| Name of the Director | Board of Directors | Audit Committee | Stakeholders Relationship Committee | Risk Management Committee | Nomination and Remuneration Committee | CSR Committee | Izndependent Directors Meeting | Total |
|---|---|---|---|---|---|---|---|---|
| Mr. Ravi Prakash Mehrotra | 4,00,000 | 2,40,000 | 50,000 | 1,00,000 | 50,000 | 50,000 | 50,000 | 9,40,000 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Ms. Anuradha Dutt | 3,00,000 | - | - | - | 50,000 | - | 50,000 | 4,00,000 |
| Mr. Nitin Savara | 4,00,000 | 2,40,000 | - | - | 50,000 | - | 50,000 | 7,40,000 |
| Mr. Balachandran Dharman | 4,00,000 | - | - | - | - | - | 50,000 | 4,50,000 |
| Mr. Yasuhiro Takabatake | No fee was paid in view of the waiver granted by the Director | | | | | | | |
| **Grand Total** | | | | | | | | 25,30,000/- |

Criteria of making payments to Non-executive Directors is available on the website of the Company and can by accessed at https://www.hondaindiapower.com/admin/public/uploads/document/9eFtW7f9m6.pdf

**iii. Stakeholders Relationship Committee**

The remit of the Committee as prescribed under Regulation 20 of the SEBI LODR and amendment thereof, is to consider various aspects of interest of the security holders of the Company. The Composition of the Stakeholders Relationship Committee and terms of reference meet with the requirements of Regulation 20 of SEBI LODR and provisions of the Act.

In compliance with requirements of the Act, the Constitution, terms of reference, role and scope of Committee are in line with those prescribed by the Act and Regulation 20 of SEBI LODR and are available on the Company's website at https://www.hondaindiapower.com/admin/public/uploads/document/fK9vE52pc6.pdf.

During the Financial Year 2025-26, the Committee met once on February 13, 2026, in compliance with the applicable laws.

During the year nine (09) Resolutions by Circulation were passed on April 01,2025, May 29, 2025, July 10, 2025, October 24, 2025, January 09, 2026, February 23, 2026, and March 10, 2026, March 16, 2026 and March 30, 2026.

The composition of the Stakeholders Relationship Committee as on March 31, 2026, and the attendance of the Members at the aforesaid meeting are as under:

| Name of the Member | Category | Position in the Committee | Number of Meetings Attended |
|---|---|---|---|
| Mr. Ravi Prakash Mehrotra | ID/NED | Chairperson | 1 |
| Mr. Shigeki Iwama | Non-ID/ED | Member | 1 |
| Mr. Vinay Mittal | Non-ID/ED | Member | 1 |

The Company Secretary acts as the Secretary to the Committee.

**Compliance Officer**

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

**Investor Grievance Redressal**

As on March 31, 2026, Company had 25,273 investors. During the year under review, the status of complaints was as follows

| Number of investor Complaints pending at the beginning of the year | Number of investor complaints received during the year | Number of investor complaints disposed off during the year | Number of investor complaints not redressed upto the satisfaction of shareholders during the year | Number of investor complaints pending at the end of the year |
|---|---|---|---|---|
| 0 | 1 | 1 | 0 | 0 |

**iv. Corporate Social Responsibility Committee**

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

A certificate confirming the CSR expenditure incurred during the financial year 2025–26, duly certified by the Chief Financial Officer of the Company, was placed before the Board of Directors for its noting.

During the Financial Year 2025-26, the Committee met once on February 13, 2026, in compliance with the applicable laws

During the year two (2) Resolutions by Circulation were passed on August 06, 2025 and November 12, 2025.

The composition of the Corporate Social Responsibility Committee as on March 31, 2026, and the attendance of the Members at the aforesaid meeting are as under:

| Name of the Member | Category | Position in the Committee | Number of Meetings Attended |
|---|---|---|---|
| Mr. Shigeki Iwama | Non-ID/ED | Chairperson | 1 |
| Mr. Ravi Prakash Mehrotra | ID/NED | Member | 1 |
| Mr. Vinay Mittal | Non-ID/ED | Member | 1 |

The Company Secretary acts as a Secretary to the Committee.

**v. Board Committee on Financial Matters**

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

The Board Committee on Financial Matters met four (04) times during the year 2025-26 on April 17, 2025, July 09, 2025, August 02, 2025 and January 28, 2026. Attendance of the Members at the Meetings were as follows:

| Name of the Member | Category | Position in the Committee | Number of Meetings Attended |
|---|---|---|---|
| Mr. Shigeki Iwama | Non-ID/ED | Chairperson | 3 |
| Mr. Vinay Mittal | Non-ID/ED | Member | 4 |
| Mr. Akihiro Sakurai | Non-ID/ED | Member | 4 |

The Company Secretary acts as the Secretary to the Committee.

**vi. Risk Management Committee**

The role and responsibilities of the Committee, inter alia, include (i) formulation of Risk Management Policy; (ii) ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company; (iii) monitoring and overseeing implementation of the Risk Management Policy, including evaluating the adequacy of Risk Management Systems and periodic review of the same. Further, the Committee shall keep the Board of Directors informed about the nature and content of its discussions, recommendations, and actions to be taken. The Board of Directors reviews the Risk Management Plan and actions taken thereof, annually. Policy on the Risk Management and detailed terms of reference of the Committee may be accessed at https://www.hondaindiapower.com/admin/public/uploads/document/aiWnag5r3e.pdf and https://www.hondaindiapower.com/admin/public/uploads/document/fK9vE52pc6.pdf respectively.

The Committee met twice during the year on August 12, 2025, and on February 13, 2026.

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

| Name of the Member | Category | Position in the Committee | Number of Meetings Attended |
|---|---|---|---|
| Mr. Shigeki Iwama | Non-ID/ED | Chairperson | 2 |
| Mr. Vinay Mittal | Non-ID/ED | Member | 2 |
| Mr. Ravi Prakash Mehrotra | ID/NED | Member | 2 |
| Mr. Akihiro Sakurai | Non-ID/ED | Member | 2 |

**3. Code of Conduct**

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

Further, in compliance with the SEBI LODR, the Company's Board has laid down a Code of Conduct for all Board Members and designated Senior Management of the Company. The Code of Conduct is available on the website of the Company at https://www.hondaindiapower.com/admin/public/uploads/document/852tcJ8g4n.pdf. All Board Members and Designated Senior Management personnel have affirmed compliance with the code of conduct.

A declaration signed by the CMD and President & CEO to this effect is attached as **Annexure-G** to this Report.

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

During the year under review there has been due compliance with the provisions of the aforementioned Code which is available on website of the Company at https://www.hondaindiapower.com/admin/public/uploads/document/d9D9lbah9x.pdf

## 4. General Body Meetings

**Annual General Meetings:** The Annual General Meetings of the Company held during the three preceding financial years were conducted through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")in accordance with the applicable provisions of the Act, and the circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

The date and time of the AGMs held during the preceding three financial years, along with the special resolution(s) passed thereat, are set out below:

| Year | Date | Time | Location | Special Resolution Passed |
|---|---|---|---|---|
| 2024-25 | September 25, 2025 | 10:45 A.M. | Held through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") | Alteration of the Memorandum of Association of the Company |
| 2023-24 | September 05, 2024 | 12:00 Noon | | To approve appointment of Mr. Balachandran Dharman (DIN:01831731) as an Independent Director |
| 2022-23 | August 10, 2023 | 12:00 Noon | | Nil |

**Postal Ballot:** No Special Resolution was passed by way of postal ballot during the Financial Year 2025–26.

However, the Board of Directors, at its meeting held on February 13, 2026, approved the issuance of a Postal Ballot Notice to the shareholders on March 30, 2026, seeking approval for the following matters. The remote e-voting period commenced on April 1, 2026, and concluded on April 30, 2026:

1. Re-appointment of Mr. Shigeki Iwama (DIN: 10075458) as CMD and President & CEO of the Company and approval of remuneration payable to him.
2. Approval of remuneration payable to Mr. Vinay Mittal (DIN: 05242535), Whole-time Director of the Company.

The results of the postal ballot were declared after the close of the Financial Year 2025–26.

As on the date of this report, the Company is not envisaging to pass any resolution through Postal Ballot.

## 5. Means of Communication

1. The quarterly, half-yearly and annual results of the Company are published in the leading newspapers i.e. Financial Express (English) and Jansatta (Hindi). The Company has sent financial results to the Stock Exchanges within the prescribed time of closure of the meeting in which these were approved by the Board of Directors of the Company.
2. The results of the Company are displayed on the Company's website www.hondaindiapower.com and website of National Stock Exchange of India Ltd. (www.nseindia.com), BSE Limited (www.bseindia.com). The website of the Company contains a separate and dedicated "Investors"' section to serve shareholders, by giving complete information pertaining to the Board of Directors and its Committees, annual reports along with supporting documents, financial results, stock exchange disclosures and compliances such as shareholding pattern, corporate governance report, notice of the Board and General Meetings, contact details of Registrar and Share Transfer Agents, details of unclaimed or unpaid dividends and Investor Education and Protection Fund ('IEPF') related information. The above information is available on the website of the Company in a user-friendly and downloadable form.
3. The Company made no presentation to the Institutional Investors and Analysts during the Financial Year 2025-26.
4. The Annual Report containing inter-alia, Audited financial statements, Directors' Report, including Management Discussion and Analysis Report, Auditors' Report and other important information is circulated to Members and others entitled thereto. The Annual Report is also displayed on the Company's website at www.hondaindiapower.com.

## 6. General Shareholders' Information

### i. 41st Annual General Meeting

| | | |
|---|---|---|
| Day, Date and Time | : | Wednesday, August 26, 2026, at 12:00 Noon |
| Venue | : | Through audio visual means |
| Financial Year | : | Year ended March 31, 2026 |
| Book Closure: | : | August 20, 2026 to August 26, 2026 (both days inclusive) |
| Record Date | : | August 19, 2026 |
| Dividend Payment Date | : | September 17, 2026 |

### ii. Financial Year : 01st April to 31st March

### iii. Tentative Financial Calendar

The tentative dates for approval of Unaudited/ Audited Financial Results for 2026-27, are as follows:

| | |
|---|---|
| Quarter ending June 30, 2026 | 2nd week of August, 2026 |
| Quarter ending September 30, 2026 | 2nd week of November, 2026 |
| Quarter ending December 31, 2026 | 2nd week of February, 2027 |
| Quarter ending March 31, 2027 | Last week of May, 2027 (Audited) |

### iv. Dividend Details

Unclaimed dividends up to the Financial Year 1995-96 have been transferred to the General Revenue Account of the Central Government and for the Financial Years 1996-97 to 2017-18 to Investor Education and Protection Fund constituted by the Central Government.

Details of unclaimed dividend as on March 31, 2026, are given hereunder:

| Period | Rate (%) | Date of declaration | Date of payment | Unclaimed dividend (Rs.) |
|---|---|---|---|---|
| 2018-19 | 100 | 07-08-2019 | 04-09-2019 | 5,18,050.00 |
| 2019-20 | 125 | 21-09-2020 | 19-10-2020 | 5,35,203.00 |
| 2020-21 | 100 | 21-09-2021 | 19-10-2021 | 5,92,158.00 |
| 2021-22 | 150 | 26-09-2022 | 21-10-2022 | 6,74,984.00 |
| 2022-23 | 165 | 10-08-2023 | 05-09-2023 | 624,223.50 |
| 2023- 24 | 175 | 05-09-2024 | 26-09-2024 | 1,136,394.00 |
| 2024-25 (Interim) | 100 | 10-02-2025 | 10-03-2025 | 649,945.00 |
| 2024-25 | 215 | 25-09-2025 | 16-10-2025 | 1,057,169.50 |
| 2025-26 (Interim) | 1000 | 12-08-2025 | 10-09-2025 | 6,201,712.40 |
| 2025-26 (Interim) | 35 | 13-02-2026 | 12-03-2026 | 2,02,382.50 |

### v. Listing on Stock Exchanges and Stock Codes

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

| Name and Address of the Stock Exchange | Stock Code |
|---|---|
| BSE Limited (BSE) Phiroze Jeejeebhoy Towers, 25th Floor, Dalal Street, Fort, Mumbai – 400001 | 522064 |
| The National Stock Exchange of India Ltd. (NSE) 5th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400051 | HONDAPOWER |

Annual Listing fees for the year 2025 - 26 has been paid by the Company to BSE Limited and National Stock Exchange of India Limited.

### vi. Registrar and Share Transfer Agents (RTA)

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

**Mr. Shravan Mangla**

**M/s Mas Services Limited**

Unit: Honda India Power Products Limited

T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110020

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

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

**vii. 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 07 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 mentioned above or to the Secretarial Department of the Company at the following address:

**Honda India Power Products Limited**

Secretarial and Legal Department,

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

Phone Nos: 0120-2590211, 2341055-59; Email: ho.legal@hipp.co.in

**viii. Distribution of shareholding as on March 31, 2026**

| No. of Shareholders | % to Total shareholders | Shareholding of Nominal Value of Rs | No. of Shares | Amount in Rs | % to Total shares/ amount |
|---|---|---|---|---|---|
| 24913 | 98.575 | 1 to 5000 | 839297 | 8392970 | 8.274 |
| 209 | 0.826 | 5001 to 10000 | 157736 | 1577360 | 1.555 |
| 82 | 0.324 | 10001 to 20000 | 114587 | 1145870 | 1.129 |
| 26 | 0.102 | 20001 to 30000 | 65660 | 656600 | 0.647 |
| 11 | 0.043 | 30001 to 40000 | 37519 | 375190 | 0.369 |
| 9 | 0.035 | 40001 to 50000 | 43635 | 436350 | 0.430 |
| 7 | 0.027 | 50001 to 100000 | 50270 | 502700 | 0.495 |
| 16 | 0.063 | 100001 and above | 8834367 | 88343670 | 87.097 |
| **25273** | **100.000** | **TOTAL** | **10143071** | **101430710** | **100.000** |

**ix. Pattern of shareholding as on March 31, 2026**

| Categories | No. of Shares | Shareholding (%) |
|---|---|---|
| Promoters | 67,62,000 | 66.67 |
| Mutual Funds | 18,51,828 | 18.26 |
| Foreign Portfolio Investors | 1,06,070 | 1.05% |
| Financial Institutions and Banks | 848 | 0.01 |
| Key Managerial Person | 1 | 0.00 |
| Individuals | 12,37,787 | 12.20% |
| NBFC Registered with RBI | 0 | 0.00 |
| Bodies Corporate | 42,461 | 0.42% |
| NRIs, FIIs, OCBs etc. | 71,147 | 0.70% |
| IEPF | 63,500 | 0.63% |
| Clearing Members | 7,429 | 0.07% |
| **Total** | **1,01,43,071** | **100.00** |

**x. Dematerialization of shares and liquidity**

99.29% of total equity capital is held in dematerialized form with NSDL and CDSL as on March 31, 2026. During the year, (i.e., from 01.04.2025 to 31.03.2026) 261 share certificates involving 7798 shares were dematerialized (including 136 share certificates consisting of 2405 shares transferred to IEPF in Demat mode for physical cases) representing 0.08% of the total share capital of the Company.

**Demat ISIN in NSDL and CDSL:** INE634A01018

**xi.** The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments in the past and hence as on March 31, 2026, the Company does not have any outstanding GDRs / ADRs / Warrants or any convertible instruments.

**xii.** During the period under review, the Company has not dealt in any commodity hedging activities and there are no Commodity price risks or foreign exchange risk undertaken by the Company.

**xiii. Plant location:**

Plot No. 5, Sector 41 (Kasna), Greater Noida Industrial,

Development Area, Distt. Gautam Budh Nagar, U.P. -201310.

**7. Disclosures**

(i) Related parties and transactions with them as required under Accounting Standard 18 and Regulation 23 of SEBI Listing Regulations, are furnished under Note No. 30 of 'Notes to Financial Statement' for the year ended March 31, 2026.

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

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

However, the Company did receive an administrative warning from SEBI for failing to hold a meeting of the Nomination & Remuneration Committee during the Financial year 2023-2024.

(iv) The Company is committed to promoting the highest standards of ethical conduct in all its business activities. To reinforce this commitment, it has established a robust Vigil Mechanism/Whistle Blower Policy, known as the Vigil Mechanism / Business Ethics Proposal Line. The mechanism enables all employees of the Company, as well as other stakeholders such as dealers, suppliers, and business partners, to report any actual or suspected violation of applicable laws, rules, regulations, the Company's Code of Conduct, or any unethical or improper practices. Such concerns may be reported directly to the Chairman of the Audit Committee.

(v) The Company has complied with all mandatory requirements as stipulated in SEBI LODR.

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

(vii) The policy framed for dealing with Related Party Transactions is displayed on the website of the Company at

https://www.hondaindiapower.com/admin/public/uploads/document/Fzb5y82w4l.pdf

(viii) The Company, during the Financial Year 2025-26, has not issued any debt instruments or has not taken Fixed Deposits or has not mobilized funds under any scheme or proposal. Hence, no credit ratings were obtained.

ix) During the Financial Year 2025-26, no funds were raised through preferential allotment or by allotment of securities to Qualified Institutional Placements as specified under Regulation 32(7A) of ICDR Regulations.

x) During the year, the Board has accepted all such proposals as recommended by the Audit Committee of the Board.

xi) During the Financial Year 2025-26, the Company has paid a total fee of Rs. 67 lakhs to M/s B S R and Co. LLP, Chartered Accountants, Statutory Auditors of the Company towards the audit fees and other services.

xii) The Company has not granted any type of loan and advance to any Company/Firm in which Directors are interested.

xiii) During the Financial Year 2025-26, no complaint has been filed by women employees of the Company under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

xiv) During the Financial Year 2025-26, the trading of Securities was not suspended.

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

a. **Audit Qualification**

The Company is in the regime of unmodified opinions on financial statements.

b. **Reporting of Internal Auditor**

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

**9.** The Company is in compliance with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the SEBI LODR.

**10. Quarterly Compliance Report**

The Company has been submitting the Compliance Report on Corporate Governance on a quarterly basis to the Stock Exchanges within the prescribed time. The report is regularly uploaded on the website of the Company.

**11. Compliance with Code of Conduct**

A declaration with regard to Code of Conduct for the year ended March 31, 2026, issued by the CMD and President & CEO of the Company is annexed at **Annexure -G.**

**12. CEO/CFO Certification**

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

**13. Compliance Certificate of Practicing Company Secretary**

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

**Annexure F to Board Report**

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

**To**

**The Members of**

**Honda India Power Products Limited**

**409, DLF Tower-B, Jasola Commercial Complex,**

**New Delhi-110025**

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the MCA portal (www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

| S. No. | Name of the Director | DIN | Date of appointment | Re-appointment, if any |
|---|---|---|---|---|
| 1 | Mr. Ravi Prakash Mehrotra | 06823899 | 31/03/2020 | Re-appointed as Independent Director w.e.f. 31/03/2025 |
| 2 | Ms. Anuradha Dutt | 00145124 | 01/04/2023 | - |
| 3 | Mr. Nitin Savara | 09398370 | 01/03/2024 | - |
| 4 | Mr. Balachandran Dharman | 01831731 | 15/09/2024 | - |
| 5 | Mr. Shigeki Iwama | 10075458 | 01/04/2023 | - |
| 6 | Mr. Vinay Mittal | 05242535 | 01/04/2012 | Re-appointed as Whole Time Director w.e.f. 01/04/2017 and 01/04/2022 |
| 7 | Mr. Akihiro Sakurai | 10570035 | 20/04/2024 | - |
| 8 | Mr. Yashuhiro Takabatake | 10909958 | 11/02/2025 | - |

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

**For Saryu Munjal & Associates,**
**Company Secretaries**
**Sd/**
**Saryu Munjal**
**(Proprietor)**
**M. No. A34161; C.P. No.: 23014**
**Peer Review No.: 5633/2024**
**UDIN: A034161H000274071**

**Date: 04-05-2026**
**Place**: **Karnal**

**Annexure – G to Board's Report**

## CERTIFICATE AND DECLARATION

I, Shigeki Iwama, in my capacity as CMD and President & CEO of Honda India Power Products Limited, do hereby confirm and declare that as stipulated under Regulation 34(3) read with Schedule V(D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the best of my knowledge and belief, Members of the Board of Directors and Senior Management personnel of the Company have affirmed compliance, as on March 31, 2026, with the provisions of Code of Conduct as adopted by the Company.

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

For **Honda India Power Products Limited**

**Sd/-**

Date: May 11, 2026 — **Shigeki Iwama**

Place: Greater Noida — **CMD and President & CEO**

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**Annexure -H to Board Report**

## CERTIFICATE

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

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

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

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

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

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

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

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

For **Honda India Power Products Limited**

| | | |
|---|---|---|
| | **Sd/-** | **Sd/-** |
| **Date: May 26, 2026** | **Vinay Mittal** | **Shigeki Iwama** |
| **Place: Greater Noida** | **Whole Time Director & CFO** | **CMD and President & CEO** |

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

**To**

**The Members**

**Honda India Power Products Limited**

1) I have examined the compliance of conditions of Corporate Governance by Honda India Power Products Limited ("the Company") for the year ended March 31, 2026 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46 (2) and other applicable regulations of Chapter IV pertaining to Corporate Governance and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [collectively referred to as "SEBI Listing Regulations"].

2) The compliance of the conditions of Corporate Governance is the responsibility of the Management. including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations. My examination was limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

3) I have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with the Corporate Governance requirements by the Company.

4) In my opinion, and to the best of my information and according to the explanations and representations made to me by the Company in connection with the said report, I certify that during the year ended March 31, 2026, the Company has complied with all the conditions of Corporate Governance as stipulated in Listing Regulations.

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

**FOR SARYU MUNJAL & ASSOCIATES**
**Company Secretaries**
**Saryu Munjal**
**Proprietor**
**M. No. A34161;**
**C.P. No. 23014**
**UDIN: A034161H000343239**
**Peer Review No.: 5633/2024**

**Date: May 12, 2026**
**Place: Karnal**

Annexure-J to Board's Report

# BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

**INDEX**

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

**PRINCIPLES**

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

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

| | | |
|---|---|---|
| 1 | Corporate Identity Number (CIN) | L40103DL2004PLC203950 |
| 2 | Name | Honda India Power Products Limited (HIPP/Company) |
| 3 | Year of incorporation | 19-09-1985 |
| 4 | Registered office address | 409, DLF Tower B Jasola Commercial Complex New Delhi-110025 |
| 5 | Corporate address | Plot No.5, Sector-41 (Kasna), Greater Noida Industrial Development Authority, Gautam Budh Nagar, U.P.- 201310 |
| 6 | E-mail | ho.legal@hipp.co.in |
| 7 | Telephone | 0120-2590211 |
| 8 | Website | www.hondaindiapower.com |
| 9 | Financial Year for which reporting is being done | 2025-26 |
| 10 | Name of the Stock Exchange(s) where shares are listed | BSE Limited, National Stock Exchange of India Limited |
| 11 | Paid-up Capital | 10,14,30,710 |
| 12 | Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report | Sunita Ganjoo, 0120-2590211, ho.legal@hipp.co.in |
| 13 | Reporting boundary | Standalone Basis |
| 14 | Whether the company has undertaken reasonable assurance of the BRSR core | No |
| 15 | Name of Assurance Provider | Not Applicable |
| 16 | Type of Assurance obtained | Not Applicable |

### II. Products/services

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

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the entity |
|---|---|---|---|
| 1 | Manufacturing | Manufacturing / sales of Generator '&' and General- Purpose Engines, Water Pumps, Tiller and other power products. | 88% |

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

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1 | Manufacture of power generators (except battery charging alternators for internal combustion engines), motor generator sets (except turbine generator set units) | 27101 | 51% |
| 2 | Manufacture of engines and turbines, except aircraft, vehicle and cycle engines | 28110 | 20% |
| 3 | Manufacture of other pumps, compressors, taps and valves etc. | 28132 | 15% |
| 4 | Manufacture of ploughs, manure spreaders, seeders, harrows and similar agricultural machinery for soil preparation, planting or fertilizing, harvesting or threshing machinery | 28212 | 7% |

## III. Operations

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

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| **National** | 1 | 16 | 17 |
| **International** | 0 | 0 | 0 |

20. Markets served by the entity:

a. Number of locations

| Locations | Number |
|---|---|
| National (No. of States) | 36 (including Union Territories) |
| International (No. of Countries) | 21 |

b. Contribution of exports as a percentage of the total turnover of the Company: 22%

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

- Dealers: Dealing directly with the Company and in turn selling to the distributors/retailers and customers.
- Institutional Customers: These include all Government agencies / Government bodies and other non-government entities.
- Resellers in export markets.

## IV. Employees

**21. Details as at the end of Financial Year: 2025-26**

**a. Employees and workers (including differently abled):**

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| **EMPLOYEES** | | | | | | |
| 1. | Permanent (D) | 377 | 355 | 94% | 22 | 6% |
| 2. | Other than Permanent (E) | 112 | 108 | 96% | 4 | 4% |
| 3. | **Total employees (D + E)** | **489** | **463** | **95%** | **26** | **5%** |
| **WORKERS** | | | | | | |
| 4. | Permanent (F) | 334 | 317 | 95% | 17 | 5% |
| 5. | Other than Permanent (G) | 295 | 295 | 100% | 0 | 0% |
| 6. | **Total workers (F + G)** | **629** | **612** | **97%** | **17** | **3%** |

**b. Differently abled Employees and workers:**

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| **DIFFERENTLY ABLED EMPLOYEES** | | | | | | |
| 1. | Permanent (D) | 0 | 0 | 0% | 0 | 0% |
| 2. | Other than Permanent (E) | 0 | 0 | 0% | 0 | 0% |
| 3. | **Total differently abled employees (D + E)** | 0 | 0 | 0% | 0 | 0% |

| | | | | | | |
|---|---|---|---|---|---|---|
| **DIFFERENTLY ABLED WORKERS** | | | | | | |
| 4. | Permanent (F) | 1 | 1 | 100% | 0 | 0% |
| 5. | Other than permanent (G) | 0 | 0 | 0% | 0 | 0% |
| 6. | **Total differently abled workers (F + G)** | 1 | 1 | 100% | 0 | 0% |

**22. Participation/Inclusion/Representation of women**

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B / A) |
| Board of Directors | 8* | 1 | 12.5% |
| Key Management Personnel | 4 | 1 | 25% |

*Board of Directors include 3 KMPs.

**23. Turnover rate for permanent employees and workers**

Trend for the past three years:

| | FY 2025-26 (Turnover rate in current FY) | | | FY 2024-25 (Turnover rate in previous FY) | | | FY 2023-24 (Turnover rate in the year prior to the previous FY) | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| **Permanent Employees** | 4.5% | 13.6% | 5% | 6% | 20% | 7% | 7% | 12% | 7% |
| **Permanent Workers** | 0 | 0 | 0% | 0.32% | 0% | 0.32% | 1% | 0% | 1% |

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

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

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

## VI. CSR Details

25. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013 : Yes

(ii) Turnover (in Rs.) : INR 86,545 Lakhs

(iii) Net worth (in Rs.) : INR 80,338 Lakhs

A detailed report on CSR projects undertaken during the Financial Year 2025-26 has been provided in '**Annexure - E**' to the Board's Report.

## VII. Transparency and Disclosures Compliances

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

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No/NA) | (If Yes, then provide web-link for grievance redress policy) | FY (2025-26) | | | PY (2024-25) | | | (If NA, then provide the reason) |
|---|---|---|---|---|---|---|---|---|---|
| | | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | |
| Communities | No | | 0 | 0 | No complaints were filed by communities in any of the principle. | 0 | 0 | No complaints were filled by communities in any of the principle | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Investors (other than shareholders) | No | | 0 | 0 | No investors are there other than shareholders of the Company. | 0 | 0 | No investors are there other than shareholders of the Company. | |
| Shareholders | Yes | https://www.hondaindiapower.com/investors/investors-contact | 0 | 0 | No complaints were made by shareholders in any of the principle. | 0 | 0 | No complaints were made by shareholders in any of the principle. | |
| Employees and workers | Yes | https://www.hondaindiapower.com/admin/public/uploads/document/eKfuqh412.pdf | 0 | 0 | No complaints were made by employees and workers in any of the principle. | 0 | 0 | No complaints were made by employees and workers in any of the principle. | |
| Customers | Yes | http://hondaindiapower.com/?srsltid=AfmBOorlEffNNVwiwU8nQJVGrlJRGpl6CbyO2vu4dGDmI0GBSKAD1dCw | 0 | 0 | No complaints were filed by customers in any of the principle. | 0 | 0 | No complaints were filed by customers in any of the principle. | |
| Value Chain Partners | Yes | https://www.hondaindiapower.com/admin/public/uploads/document/eKfuqh412.pdf | 0 | 0 | No complaints were filed by the value chain partners in any of the principle. | 0 | 0 | No complaints were filed by the value chain partners in any of the principle. | |

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

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

| S. No. | Material issue identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk / opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Product Related | Opportunity | The Company's products comply with all applicable environmental and pollution control standards in every market where they are sold or used. This compliance is ensured through rigorous quality control measures supported by state of art in-house equipment and technology. | NA | Positive |
| 2 | Process Related | Risk | The manufacturing process has been evolved with technical inputs and support from Honda Motor Co., Ltd., Japan, which is among the safest, most efficient and technologically advanced in the industry. This highly specialized process poses a significant entry barrier, making it difficult for new entrants to replicate or match manufacturing processes as applied by the Company.<br>This would be very challenging and difficult for any other new entrant to adopt and is a barrier for them. | Your Company has technical collaboration agreement with Honda Motor Co. Ltd., Japan by virtue of which the Company has the reach to the best available processes. | Negative |

| | | | | | |
|---|---|---|---|---|---|
| | | | However, the Company faces a continuing challenge from the dynamic and evolving landscape of global environmental regulations. Compliance requires substantial investment in infrastructure, continuous updates on relevant legal frameworks, and effective awareness-building among process stakeholders | | |
| 3 | Society Related | Risk | In the manufacturing process being applied by the Company, natural resources such as water and air are being used. To ensure sustainable use, the Company has established the necessary infrastructure to minimize resource consumption and strives to restore natural resources wherever possible. Furthermore, the Company fully complies with all applicable laws and regulations related to waste management, as prescribed by relevant regulatory authorities from time to time | Your Company has a well laid out and robust compliance organization whereby with the help of third parties and in-house expertise, these are being taken care of. | Negative |

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

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

| Disclosure Questions | | | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | | | |
| 1. | a. | Entity's policy/policies covering each principle and its core elements of the NGRBCs. (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | b. | Board's approval of the policies: (Yes/No) | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| | c. | Web Link of the Policies | The policies can be accessed via the link https://www.hondaindiapower.com/investors/policies and some internal policies applicable to employees are available on Company's intranet. | | | | | | | | |
| 2. | Whether the policies are translated into procedures. (Yes / No) | | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Do the enlisted policies extend to value chain partners? (Yes/No) | | Y | Y | Y | N | Y | Y | Y | Y | Y |
| 4. | Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g.SA 8000, OHSAS, ISO, BIS) adopted by the entity and mapped to each principle. | | The Company policies incorporate Indian and global best practices. The Company is an ISO 9001 Company and also certified for following;<br>• IS 7347 for Engines<br>• IS 11501 for Water Pump<br>• CPCB-IV+, Indian Emission Standard for Portable Genset (Environment Protection Rule)<br>• EU REACH Regulation, EC No 1907/2006<br>• EU RoHS Regulation, Directive 2011/65/EU<br>• EPA & CARB Regulation for US 7kVA Genset, 40 CFR<br>• CSA CoC for Canada 7kVA Genset, C22.2 #100<br>• Europe Sample Fit Test for EU 7kVA Genset, 97/68/EC<br>• Europe Noise Directive for EU 7kVA Genset, 2000/14/EC<br>• CPCB Plastic Waste Management Rule<br>• CPCB Battery Waste Management Rule | | | | | | | | |
| 5. | Specific commitments, goals and targets set by the entity with defined timelines, if any. | | The Company is working to minimize the impact of its activities on the environment by reducing carbon emission as per the targets below: | | | | | | | | |
| | **2025-26** | | **2026-27** | | | | | | | | |
| | 74.75 tons | | 120.14 tons | | | | | | | | |
| 6. | Performance of the entity against specific commitments, goals and targets along-with reasons in case the same are not met. | | During the year 2025-26, the company achieved a $CO_2$ reduction of 74.75 tons against the target of 42.74 Ton. | | | | | | | | |

| | | |
|---|---|---|
| **Governance, leadership and oversight** | | |
| 7. | **Statement by Director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.** The basic principle of the Company being 'a Company that society wants to exist', guides our operations beyond legal compliance, driving us to produce and sell environment friendly products that meet all regulatory standards.Our production and distribution processes follow strict waste management protocols, minimize natural resource use, and support resource restoration wherever possible, always operating in alignment with our core principle of sustainability and social responsibility. | |
| 8. | Highest authority responsible for implementation and oversight of the Business Responsibility policy (ies). | Yes, the Company has formed a Steering Committee to strategize the business and the way it must be conducted. The Committee consists of Senior Management Team including all the executive Directors of the Company as its Members. |
| 9. | Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details. | |
| 10. | Details of Review of NGRBCs by the Company: | |

| Subject for Review P 1 | Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| Performance against above policies and follow up action | Y | Y | Y | Y | Y | Y | Y | Y | Quarterly Review | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non- compliances | Y | Y | Y | Y | Y | Y | Y | Y | Quarterly Review | | | | | | | | |

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

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

### Essential Indicators

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

| Segment | Total number of training and awareness programs held | Topics/ principles covered under the training and its impact | % age of persons in respective category covered by the awareness programs |
|---|---|---|---|
| Board of Directors | 5 | The board of directors & the KMP's are familiarized inter alia on the following:<br>1. Business performance updates<br>2. Business & sustainability strategy<br>3. Risk Management plan Governance, compliance, and regulatory updates, Those Charged With Governance (TCWG) | 100% |
| Key Managerial Personnel | 4 | 1. Honda Code of Conduct/Prevention of Insider Trading<br>2. Vigil Mechanism/Business Ethics Proposal Line/Anti-bribery<br>3. POSH/ Those Charged With Governance (TCWG) | 100% |
| Employees and other than BOD and KMPs | 24 | Comprehensive training programs are designed to cover all critical competencies outlined in the Company's Competency Framework, ensuring employees are equipped with the necessary skills, knowledge, and behaviours required for excellence in their roles. These programs also encompass in-depth modules on compliance policies, the company's Code of Conduct, and ethical workplace practices. | 75% |
| Workers | 4 | Behavioural aspects covering open communication, teamwork & change management | 70% |

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

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

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

   Not applicable

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

   The Company has anti-corruption and anti-bribery policy, which explains the dos and don'ts with respect to these policies and the laws as applicable. Further, the Company has a process in place to regularly update all concerned with respect to these policies. The policy is available on the intranet/website of the Company and can be assessed at

   https://www.hondaindiapower.com/admin/public/uploads/document/rs4jy6hSkw.pdf

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

   NIL

6. **Details of complaints regarding conflict of interest**

| | FY (2025-26) | | PY (2024-25) | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | 0 | No such complaint was received during the FY 2025-26 | 0 | No such complaint was received during the FY 2024-25 |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | 0 | No such complaint was received during the FY 2025-26 | 0 | No such complaint was received during the FY 2024-25 |

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

   Not applicable

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

| | FY 2025-26 (Current Financial Year) | FY 2024-25 (Previous Financial Year) |
|---|---|---|
| Number of days of accounts payables | 59 | 55 |

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

| Parameter | Metrics | | FY (2025-26) | PY (2024-25) |
|---|---|---|---|---|
| Concentration of Purchases | a. i) | Purchases from trading houses | 170,681,140.62 | 158,417,521.37 |
| | ii) | Total purchases | 4,181,654,593.07 | 3,724,154,053.74 |
| | iii) | Purchases from trading houses as % of total purchases | 4.08% | 4.25% |
| | b. | Number of trading houses where purchases are made | 14 | 14 |
| | c. i) | Purchases from top 10 trading houses | 170,588,093.34 | 158,302,183.57 |
| | ii) | Total purchases from trading houses | 170,681,140.62 | 158,417,521.37 |
| | iii) | Purchases from top 10 trading houses as % of total purchases from trading houses | 99.95% | 99.93% |

| Parameter | Metrics | | FY (2025-26) | PY (2024-25) |
|---|---|---|---|---|
| Concentration of Sales | a. i) | Sales to dealer / distributors | 7,405,661,549.00 | 695,558,764.00 |
| | ii) | Total Sales | 8,654,520,324.00 | 794,225,700.00 |
| | iii) | Sales to dealer / distributors as % of total sales | 85.57% | 88% |
| | b. | Number of dealers / distributors to whom sales are made | 522 | 527 |
| | c. i) | Sales to top 10 dealers / distributors | 2,737,123,632.00 | 2,282,876,782.00 |
| | ii) | Total Sales to dealer / distributors | 7,405,661,549.00 | 695,558,764.00 |
| | iii) | Sales to top 10 dealers / distributors as % of total sales to dealer / distributors | 36.96% | 33% |
| **Parameter** | **Metrics** | | **FY (2025-26)** | **PY (2024-25)** |
| Share of RPTs in | a. i) | Purchases (Purchases with related parties) | 1,339,716,372.00 | 881,714,000 |
| | ii) | Total Purchases | 5,417,247,469.00 | 430,775,600 |
| | iii) | Purchases (Purchases with related parties as % of Total Purchases) | 24.73% | 20% |
| | b. i) | Sales (Sales to related parties) | 2,168,801,134.00 | 185,718,700.00 |
| | ii) | Total Sales | 8,654,520,324.00 | 794,225,700.00 |
| | iii) | Sales (Sales to related parties as % of Total Sales) | 25.06% | 23% |
| | c. i) | Loans & advances given to related parties | NA | NA |
| | ii) | Total loans & advances | NA | NA |
| | iii) | Loans & advances given to related parties as % of Total loans & advances | NA | NA |
| | d. i) | Investments in related parties | NA | NA |
| | ii) | Total Investments made | NA | NA |
| | iii) | Investments in related parties as % of Total Investments made | NA | NA |

**Leadership Indicators**

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

| Total number of awareness programmes held | Topics / principles covered under the training | Percentage of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| 7 | • **Sustainability** (ESG, CO2, Cyber Security)<br>• **Risk Management** (Fire Risk, Safety compliance & Risk management)<br>• **Process Capability Enhancement** (PFD, PFMEA, PQCT) | 54.48% |

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

The Code of Conduct for Board and Senior Management Team members has been adopted by the Board. If a Director has or could have such an interest, they must disclose it to the Board and refrain from participating in discussions, casting votes for, or otherwise influencing decisions about such matters. A consolidated certificate is presented to Board duly signed by CMD and President & CEO of the Company.

Each year, the Board members and management certify their compliance with the Code of Conduct. Please refer to the link for the policy https://www.hondaindiapower.com/admin/public/uploads/document/852tcJ8g4n.pdf .

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

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

**Essential Indicators**

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

| | FY (2025-26) | PY (2024-25) | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | 0.00% | 0.00% | To make the products and processes meet the regulatory requirement and to be environment friendly, the Company has entered into an agreement with the Honda Motor Co. Ltd., Japan (HM) for providing the latest globally recognized technologies to the Company .<br>Additionally, Under the agreement, the Company's workforce gets training in adopting the processes and technologies in the best possible manner. The Company, in lieu thereof, pays a certain percentage of the sales value in the form of royalty to HM. Since the Company pays royalty for products/processes/updated technology and usage of brand name, value of the percentage against the environment and social impact cannot be ascertained. |
| Capex | 0.00% | 0.00% | NA |

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

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

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

   The Company is following e-waste management rules (through its distribution channel partners) as well as Plastic Waste Management rules & hazardous waste management rules ensuring compliance with legal requirements which meets all necessary requirement of legal standard for waste management.

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

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

**Leadership Indicators**

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

   No such assessment was made during the reporting period.

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

   Not applicable

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

| Indicate Input Material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 2025-26 | FY 2024-25 |
| Aluminum | 37.5 MT /2232 MT = 1.67% | 29.33 MT/1890 MT = 1.55% |

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

| | FY 2025-2026 Current Financial Year | | | FY 2024-2025 Previous Financial Year | | |
|---|---|---|---|---|---|---|
| | Re-Used | Recycled | Safely Disposed | Re-Used | Recycled | Safely Disposed |
| Plastics (including packaging) | - | 209 MT | - | - | 198 MT | - |
| E-waste | - | - | - | - | - | - |
| Hazardous waste | - | - | - | - | - | - |
| Other waste | - | - | - | - | - | - |

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

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

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

## Essential Indicators

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

| Category | % of employees covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 355 | 355 | 100% | 355 | 100% | - | - | 355 | 100% | - | - |
| Female | 22 | 22 | 100% | 22 | 100% | 22 | 100% | - | - | 22 | 100% |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **377** | **377** | **100%** | **377** | **100%** | **22** | **100%** | **355** | **100%** | **22** | **100%** |
| **Other than permanent employees** | | | | | | | | | | | |
| Male | 108 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **112** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |

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

**B. Details of measures for the well-being of workers:**

| Category | % of workers covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity Benefits | | Day Care facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent workers** | | | | | | | | | | | |
| Male | 317 | 317 | 100% | 317 | 100% | -- | - | 317 | 100% | - | - |
| Female | 17 | 17 | 100% | 17 | 100% | 17 | 100% | - | - | 17 | 100% |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **334** | **334** | **100%** | **334** | **100%** | **17** | **100%** | **317** | **100%** | **17** | **100%** |
| **Other than permanent workers** | | | | | | | | | | | |
| Male | 295 | N/A | | | | N/A | | | | N/A | |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **295** | **N/A** | | **N/A** | | **N/A** | | | | **N/A** | |

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

| | | FY 2025-26 | PY 2024-25 |
|---|---|---|---|
| i) | Cost incurred on well-being measures<br>(well-being measures means well-being of employees and workers (including male, female, permanent and other than permanent employees and workers) | 1,083 | 918 |
| ii) | Total revenue of the company | 86,545 | 79,423 |
| iii) | Cost incurred on wellbeing measures as a % of total revenue of the company | 1.25% | 1.16% |

2. **Details of retirement benefits**

| Benefits | FY (2025-26) | | | PY (2024-25) | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 100% | Yes | 100% | 100% | Yes |
| Gratuity | 100% | 100% | N/A | 100% | 100% | N/A |
| ESI | - | 66% | Yes | - | - | - |
| Superannuation/ NPS | 40% | NA | N/A | 43% | NA | N/A |

3. **Accessibility of workplaces**

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

Yes, the company premises/offices are fully accessible to differently abled employees and workers as per the requirements of Rights of Persons with Disabilities Act, 2016.

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

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

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

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

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

| If yes, details of the mechanism in brief. | Yes/No | (If yes, then give details of the mechanism in brief) |
|---|---|---|
| Permanent Workers | Yes | The Organization has established a structured and comprehensive grievance redressal mechanism to address concerns raised by employees and workers in a timely and effective manner. This mechanism operates through various duly constituted committees, including the Works Committee, Grievance Redressal Committee, Canteen Committee, Safety Committee, POSH Committee, Transport Committee, Uniform Committee, Welfare Trust Committee, Provident Fund (PF) Trust Committee, and the Industrial Relations (IR) Help Desk. These forums function in accordance with applicable statutory provisions and internal policies, ensuring that grievances are appropriately reviewed, addressed, and resolved in a fair, transparent, and legally compliant manner. |
| Other than Permanent Workers | | |
| Permanent Employees | | |
| Other than Permanent Employees | | |

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

The Company does not have any trade union.

8. **Details of training given to employees and workers:**

| Category | FY (2025-26) | | | | | PY (2024-25) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No.(B) | % (B/ A) | No.(C) | % (C /A) | | No. (E) | % (E / D) | No. (F) | % (F / D) |
| **Employees** | | | | | | | | | | |
| Male | 355 | 260 | 73% | 151 | 43% | 372 | 292 | 78% | 143 | 38% |
| Female | 22 | 16 | 73% | 15 | 68% | 25 | 20 | 80% | 15 | 60% |
| Other | 0 | - | - | - | - | 0 | 0 | 0% | 0 | 0% |
| **Total** | **377** | **276** | **73%** | **166** | **44%** | **397** | **312** | **76%** | **158** | **40%** |
| **Workers** | | | | | | | | | | |
| Male | 317 | 261 | 82% | 242 | 76% | 321 | 300 | 94% | 123 | 38% |
| Female | 17 | 10 | 59% | 5 | 29% | 17 | 17 | 100% | 12 | 70% |
| Other | 0 | - | - | - | - | 0 | 0 | 0 | 0 | 0 |
| **Total** | **334** | **271** | **81%** | **247** | **74%** | **338** | **317** | **94%** | **135** | **40%** |

All the employees have access to relevant learning and development opportunities. The Company has a robust e-learning platform which is coupled with other online and offline interventions. The learning needs are identified by a combination of self, manager and department head and classified under functional, behavioral and organizational needs.

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

| Category | FY (2025-26) | | | PY (2024-25) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No.(B) | % (B/ A) | Total (D) | No.(E) | % (E / D) |
| **Employees** | | | | | | |
| Male | 355 | 342 | 96% | 372 | 351 | 94% |
| Female | 22 | 22 | 100% | 25 | 22 | 88% |
| Other | 0 | 0 | 0% | 0 | 0 | 0% |
| **Total** | **377** | **364** | **96%** | **397** | **373** | **94%** |
| **Workers** | | | | | | |
| Male | 317 | 317 | 100% | 321 | 321 | 100% |
| Female | 17 | 17 | 100% | 17 | 17 | 100% |
| Other | 0 | 0 | 0% | 0 | 0 | 0% |
| **Total** | **334** | **334** | **100%** | **338** | **338** | **100%** |

10. **Health and safety management system:**

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

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

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

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

- **Whether the entity have processes for workers to report the work-related hazards and to remove themselves from such risk**s?

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

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

Yes, medical Center and first aid facilities are available for both employees and workers with a qualified medical professional and the nursing staff.

Besides this all the employees are covered under Group Accident Policy taken by the Company with a well-recognized insurer.

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

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

| Safety Incident/Number | Category | FY (2025-26) | PY (2023-24) |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | NIL | NIL |
| | Workers | NIL | NIL |
| Total recordable work-related injuries | Employees | NIL | NIL |
| | Workers | NIL | NIL |
| No. of fatalities | Employees | NIL | NIL |
| | Workers | NIL | NIL |
| High consequence works related injury or ill-health (excluding fatalities) | Employees | NIL | NIL |
| | Workers | NIL | NIL |

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

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

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

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

| | FY (2025-26) | | | PY (2024-25) | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | 0 | 0 | - | 0 | 0 | - |
| Health and Safety | 0 | 0 | - | 0 | 0 | - |

**14. Assessments for the year:**

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

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

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

**<u>Leadership Indicators</u>**

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

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

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

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

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

| | Total no. of affected employees/ workers | | No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY (2025-26) | PY (2024-25) | FY (2025-26) | PY (2024-25) |
| Employees | 0 | 0 | 0 | 0 |
| Workers | 0 | 0 | 0 | 0 |

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

No. Currently, the Company does not provide any transition assistance program.

5. **Details on assessment of value chain partners:**

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

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

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

Not Applicable

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

**Essential Indicators**

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

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

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

| Stakeholder Group | Whether identified as Vulnerable and Marginalized Group | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, others) | Frequency of engagement | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Employees | No | 1. Business plan communication<br>2. Senior leadership engagements<br>3. Wellness sessions<br>4. Training programs and onboarding sessions<br>5. Internal communication<br>6. Engagement Survey | Quarterly<br>Need Based<br>Regularly<br>Regularly<br><br>Regularly<br>Annually | Business and performance updates<br>Developing high level of management competence.<br>Physical and mental wellbeing sessions<br>New skills, learning and development.<br><br>Exchange of Information and Activities undertaken<br>Belongingness to the Company |

| | | | | |
|---|---|---|---|---|
| Shareholders | No | - Annual General Meeting<br>- E-Mail<br>- Newspaper publications | Quarterly/ Annual | Company's financial performance and Corporate Governance etc. |
| Suppliers/ Service Provider | No | - E-mail<br>- Supplier convention<br>- Meeting with concerned functions | As and when required/ Annual | Process refresh, engagement |
| Government Agencies/ Tax Authorities | No | - Press Releases,<br>- Quarterly Results,<br>- Annual Reports,<br>- Sustainability Reports,<br>- Stock Exchange filings | As stipulated | Reporting requirements, Statutory Compliances and resolution of issues |
| Dealers/ Distributors | No | - Email, sms, advertisement, website, social media, physical meetings, dealer convention | Regular | Customer satisfaction |
| Communities | Yes | Community interactions | Regular | CSR interventions |

**Leadership Indicators**

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

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

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

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

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

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

**PRINCIPLE 5: Businesses should respect and promote Human Rights.**

**Essential Indicators**

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

| Category | FY (2025-26) | | | PY (2024-25) | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees/ workers covered (B) | % (B/A) | Total (C) | No. of employees/ workers covered (D) | % (D/C) |
| **Employees** | | | | | | |
| Permanent | 377 | 377 | 100% | 397 | 397 | 100% |
| Other than permanent | 112 | 112 | 100% | 104 | 104 | 100% |
| Total Employees | 489 | 489 | 100% | 501 | 501 | 100% |
| **Workers** | | | | | | |
| Permanent | 334 | 334 | 100% | 338 | 338 | 100% |
| Other than permanent | 295 | 295 | 100% | 264 | 264 | 100% |
| Total Workers | 629 | 629 | 100% | 602 | 602 | 100% |

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

| Category | FY (2025-26) | | | | | PY (2024-25) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No.(B) | % (B/A) | No.(C) | % (C/A) | | No. (E) | %(E/D) | No.(F) | %(F/D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 355 | - | - | 355 | 100% | 372 | - | - | 372 | 100% |
| Female | 22 | - | - | 22 | 100% | 25 | - | - | 25 | 100% |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Other than Permanent** | | | | | | | | | | |
| Male | 108 | - | - | 108 | 100% | 172 | - | - | 172 | 100% |
| Female | 4 | - | - | 4 | 100% | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | - | - | 0 | - | 0 | 0 | 0 | 0 | 0 |
| **Workers** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 317 | - | - | 317 | 100% | 321 | - | - | 321 | 100% |
| Female | 17 | - | - | 17 | 100% | 17 | - | - | 17 | 100% |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Other than Permanent** | | | | | | | | | | |
| Male | 295 | - | - | 295 | 100% | 263 | - | - | - | - |
| Female | 0 | - | - | 0 | - | 1 | - | - | - | - |
| Other | 0 | - | - | 0 | - | 0 | - | - | - | - |

3. **Details of remuneration/salary/wages**

a. **Median remuneration/wages (Rs.)**

| | Male | | Female | | Other | |
|---|---|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category (monthly) | Number | Median remuneration/ salary/ wages of respective category (monthly) | Number | Median remuneration/ salary/ wages of respective category (monthly) |
| Board of Directors (BOD)* | 3 | 19,66,082 | - | - | - | - |
| Key Managerial Personnel | 3 | 19,66,082 | 1 | 2,95,375 | - | - |
| Employees other than Bod and KMP# | 342 | 1,08,883.5 | 22 | 88,729.5 | - | - |
| Workers## | 317 | 56,560 | 17 | 47,569 | 195 | 17,440 |

* Includes Managing Director and Whole-time Directors.

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

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

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

| | FY (2025-26) | PY (2024-25) |
|---|---|---|
| Gross wages paid to females | 3,64,91,813.83.00 | 3,52,58,821.00 |
| Total wages | 1,17,06,00,000.00 | 1,11,07,00,000.00 |
| Gross wages paid to females (Gross wages paid to females as % of total wages) | 3.12% | 3.17% |

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

Business Ethics Proposal Line overseen by Business Ethics Committee and POSH Committee.

6. **Internal mechanisms in place to redress grievances related to Human Rights issues.**

   Individuals can raise the Human Rights concerns to Business Ethics Proposal line and POSH committee, these two committees investigates the matter and provides resolution in line with Honda's Business ethics driven by Honda Philosophy. To ensure the adherence of all human rights, annual Honda Corporate Governance audit is conducted at Entity level and Division level to identify risks and action plans are made to mitigate the identified risk, if any.

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

| | FY (2025-26) | | | PY (2024-25) | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at theend of year | Remarks | Filed during the year | Pending resolution at theend of year | Remarks |
| Sexual Harassment | NIL | NIL | - | NIL | NIL | - |
| Discrimination at workplace | NIL | NIL | - | NIL | NIL | - |
| Child Labour | NIL | NIL | - | NIL | NIL | - |
| Forced Labour/Involuntary Labour | NIL | NIL | - | NIL | NIL | - |
| Wages | NIL | NIL | - | NIL | NIL | - |
| Other human rights related issues | NIL | NIL | - | NIL | NIL | - |

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

| | FY 2025-26 Current Financial Year | FY 2024-25 Previous Financial Year |
|---|---|---|
| i) Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention,Prohibition and Redressal) Act, 2013 (POSH) | 0 | 0 |
| iii) Complaints on POSH as a % of female employees / workers | 0% | 0% |
| iv) Complaints on POSH upheld | 0 | 0 |

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

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

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

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

11. **Assessments for the year:**

| | % of plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | 100% |
| Forced/involuntary labour | 100% |
| Sexual harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |
| Others | 100% |

12. **Details of corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 11 above.**

    Not applicable

**Leadership Indicators**

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

   Not applicable as no grievances / complaints were received on Human Rights. No major risks were identified w.r.t to human rights/complaints, however as a proactive approach the business processes are timely reviewed and updated with respect to best human rights practices.

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

   The scope and coverage of Human Rights due diligence encompass the Honda processes, conduct of individuals.

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

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

4. **Details on assessment of value chain partners:**

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

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

   Not applicable

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

**Essential Indicators**

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

| Parameter | FY 2025-2026 (*Current Financial Year*) | FY 2024-2025 (*Previous Financial Year*) |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | - | - |
| Total fuel consumption (B) | - | - |
| Energy consumption through other sources (C) | - | - |
| **Total energy consumed from renewable sources (A+B+C)** | - | - |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | 17,286 GJ | 9,322 GJ |
| Total fuel consumption (E) | 22,348 GJ | 35,507 GJ |
| Energy consumption through other sources (F) | | |
| **Total energy consumed from non-renewable sources (D+E+F)** | 39,634 GJ | 44,829 GJ |
| **Total energy consumed (A+B+C+D+E+F)** | 39,634 GJ | 44,829 GJ |
| **Energy intensity per rupee of turnover** (Total energy consumed / Revenue from operations) | 0.46 | 0.56 |
| **Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total energy consumed / Revenue from operations adjusted for PPP) | 0.46 | 0.56 |
| **Energy intensity in terms of physical output** | 0.16 GJ/Unit Production | 0.20 GJ/Unit Production |

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

   No

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

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

3. **Details of the following disclosures related to water:**

| **Parameter** | **FY (2025-26)** | **PY (2024-25)** |
|---|---|---|
| Water withdrawal by source (in kiloliters) | | |
| (i) Surface water | - | - |
| (ii) Groundwater | 44,028 | 55,464 |
| (iii) Third party water | - | - |
| (iv) Seawater / desalinated water | - | - |
| (v) Others | - | - |
| Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v) | 44,028 | 55,464 |
| Total volume of water consumption (in kiloliters) | 44,028 | 55,464 |
| Water intensity per rupee of turnover (Total water consumption / Revenue from operations) | 0.51 | 0.70 |
| Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) | 0.51 | 0.70 |
| Water intensity in terms of physical output | 0.18 KL/Unit Production | 0.25 KL/Unit Production |

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

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

4. **Details related to water discharged:**

| **Parameter** | **FY 2025-26** *(Current Financial Year)* | **FY 2024-25** *(Previous Financial Year)* |
|---|---|---|
| **Water discharge by destination and level of treatment (in kiloliters)** | | |
| (i) To Surface water | - | - |
| - No treatment | - | |
| - With treatment – please specify level of treatment | - | - |
| (ii) To Groundwater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iii) To Seawater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iv) Sent to third parties | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (v) Others | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| **Total water discharged (in kiloliters)** | - | - |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Not Applicable

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

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

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

| Parameter | Please specify unit | FY (2025-26) | PY (2024-25) |
|---|---|---|---|
| NOx | mg/NM3 (max) | 1281 | 1094 |
| SOx | mg/NM3 (max) | 334 | 275 |
| Particulate matter (PM) | mg/NM3 (max) | 323 | 340 |
| Persistent organic pollutants (POP) | - | - | - |
| Volatile organic compounds (VOC) | - | - | - |
| Hazardous air pollutants (HAP) | - | - | - |
| Others (Quantity of Emission) | Tonnes/year | 84199.99 | 69859.38 |

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

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

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

| Parameter | Unit | FY 2025-26 (Current Financial Year) | FY 2024-25 w(Previous Financial Year) |
|---|---|---|---|
| Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 1272 | 2009 |
| Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs,SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 3232 | 1846 |
| Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations in Lakh) | | 0.05 | 0.05 |
| **Total Scope 1 and Scope 2 emission** intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | | 0.05 | 0.05 |
| Total Scope 1 and Scope 2 emission intensity in terms of physical output | | 0.018 | 0.018 |

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

No.

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

Yes, in the year 2025-2026, the theme is being implemented to reduce the scope 1 & Scope 2 emissions by reduction in power & fuel Consumption as per following details:

A. Reduction in energy consumption by :

1. Installation of Mist collection system on micrometric grinding machine.
2. By optimization of Coolant motor Running frequency In CNC Machine.
3. By Installation of low wattage LED Light in assemble area.
4. By Dust collector frequency optimization.
5. By replacement of contactor-based switching to IGBT switching of heaters of varnish machine.
6. By blower motor frequency optimization of Dry off oven and Bake oven at paint shop

B. Reduction in Fuel consumption by implementing thermal paint on PDC furnaces

9. **Details related to waste management.**

| **Parameter** | **FY 2025-26 (Current Financial Year)** | **FY 2024-25 (Previous Financial Year)** |
|---|---|---|
| Total Waste generated (in metric tonnes) | | |
| Plastic waste (A) | 209.00 | 191.00 |
| E-waste (B) | 7.37 | 6.35 |
| Bio-medical waste (C) | 0.01 | 0.01 |
| Construction and demolition waste (D) | -- | -- |
| Battery waste (E) | 0.26 | 4.36 |
| Radioactive waste (F) | -- | -- |
| Other Hazardous waste. Please specify, if any. (G) | 48.54 | 34.72 |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) | 435.72 | 494.80 |
| Total (A+B + C + D + E + F + G + H) | 700.89 | 731.24 |
| **Parameter** | **FY 2025-26 (Current Financial Year)** | **FY 2024-25 (Current Financial Year)** |
| **Waste intensity per rupee of turnover** (Total waste generated/ Revenue from operations in Lakhs) | 0.008 | 0.009 |
| **Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total waste generated / Revenue from operations adjusted for PPP) | 0.008 | 0.009 |
| **Waste intensity in terms of physical output** | 0.0028 MT/Unit Production | 0.0033 MT/Unit Production |
| For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) | | |
| Category of waste | | |
| (i) Recycled | 694.00 | 727.00 |
| (ii) Re-used | - | - |
| (iii) Other recovery operations | - | - |
| **Total** | **694.00** | **727.00** |
| For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) | | |
| Category of waste | | |
| (i) Incineration | 31.16 | 20.11 |
| (ii) Landfilling | 16.40 | 11.51 |
| (iii) Other disposal operations | - | -- |
| **Total** | **47.56** | **31.62** |

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

Yes, Regular testing is being carried out through M/s Enviro Internal (MoFF approved lab) for hazardous waste.

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

The Company maintains a record of all potential environmental, safety, health, and business threats in a risk register. These risks are evaluated and measures are defined to eliminate, reduce, and mitigate risk to a level that is "as low as reasonably possible," which is continuously monitored. Each year, the Risk Management Officer reviews and approves the register. Hazardous waste produced by the manufacturing facility is sent to the entities approved by the State Pollution Control Board or Central Pollution Control Board for disposal.

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

No.

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

No projects were implemented in FY 2025-26 which required environmental impact assessment to be undertaken.

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

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

**Leadership Indicators**

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

We are in the critical water zone area .

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

(i) Name of the area: Gautam Budh Nagar

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

(iii) Water withdrawal, consumption and discharge :

| Parameter | FY 2025-2026 (Current Financial Year) | FY 2024-2025 (Previous Financial Year) |
|---|---|---|
| Water withdrawal by source (in kiloliters) | | |
| (i) Surface water | - | - |
| (ii) Groundwater | 44,028 | 55,464 |
| (iii) Third party water | - | - |
| (iv) Seawater / desalinated water | - | - |
| (v) Others | - | - |
| Total volume of water withdrawal (in kiloliters) | 44,028 | 55,464 |
| Total volume of water consumption (in kiloliters) | 44,028 | 55,464 |
| Water intensity per rupee of turnover (Water consumed / turnover Rs. In Lakh) | 0.51 | 0.70 |
| Water discharge by destination and level of treatment (in kiloliters) | | |
| (i) Into Surface water | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (ii) Into Groundwater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iii) Into Seawater | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (iv) Sent to third-parties | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| (v) Others | - | - |
| - No treatment | - | - |
| - With treatment – please specify level of treatment | - | - |
| Total water discharged (in kiloliters) | - | - |

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

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

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

| Parameter | Unit | F.Y. 2025-26 | F.Y. 2024-25 |
|---|---|---|---|
| Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | 4302.34 | 5037.00 |
| Total Scope 3 emissions per rupee of turnover | Tons/Rs | 0.000000497 | 0.00000193 |
| Total Scope 3 emission intensity (optional) – | | - | - |

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

No

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

Not applicable

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

Details of various initiatives for reducing $CO_2$ emissions, conserving water, and minimizing waste are outlined below:-

| S. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 1 | Reduction in CO2 emission | Installation of Mist collection system on micrometric grinding machine | 15.47 Ton |
| 2 | | Thermal painting on PDC furnace | 11.10 Ton |
| 3 | | Optimization of Coolant motor Running frequency In CNC Machine | 12.58 Ton |
| 4 | | Installation of Low wattage LED Light in Assemble area | 9.50 Ton |
| 5 | | Dust collector frequency optimization | 2.65 Ton |
| 6 | | Replacement of contactor-based switching to IGBT switching of heaters of varnish machine. | 7.33 Ton |
| 7 | | Paint shop Dry off oven and Bake oven blower motor frequency optimization | 2.79 Ton |
| 8 | Water Saving | Installation of drip Irrigation System | 236.00 KL |
| 9 | Waste Reduction | Reduce Production waste by Reuse of broken pallet wheel through subcomponent sorting | 0.14 Ton |

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

The Company has a robust Business Continuity Plan, Business risk templates which are reviewed by Management as per set frequency. Appropriate actions are taken for all the identified risk within the set time frame.

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

No significant impact was noted during the year under review.

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

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

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

**Essential Indicators**

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

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

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

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

## Leadership Indicators

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

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

## Essential Indicators

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

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

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

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

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

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

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

| | FY (2025-26) | PY (2024-25) |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 35.59% | 34.32% |
| Sourced directly from within the district and neighboring districts | 80.42% | 79.66% |

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

| Location | FY 2025-26 Current Financial Year | FY 2024-25 Previous Financial Year |
|---|---|---|
| Rural | - | - |
| Semi-urban | - | - |
| Urban | - | - |
| Metropolitan | 100% | 100% |

## Leadership Indicators

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

   Not applicable

2. **Information on CSR projects undertaken by the Company in designated aspirational districts as identified by government bodies:**

   No CSR project has been undertaken by the Company in designated aspirational districts.

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

   The Company does not have a preferential procurement policy.

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

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

4. **Details of the benefits derived from and shared from the intellectual properties owned or acquired by the Company (in the Financial Year 2025- 26), based on traditional knowledge**:

   The Company does not own any intellectual property apart from the trademark 'HI+', which was registered in its name during FY 2024-25. In FY 2025-26, the Company generated a turnover of Rs. 250 million attributable to the use of this trademark.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

   Not applicable

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

| CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|
| Medical Health Camp | 7847 | 100% |
| Beach Cleanup Drive in Andaman | 100 | 100% |
| Infrastructure development | 250 (under process) | 100% |

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

**Essential Indicators**

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

   The organization uses a structured, multi-channel system to handle customer complaints and feedback, including toll-free numbers, email, phone, social media, mobile apps, and website. All complaints are logged in a CRM portal, where service tickets are generated and shared with relevant stakeholders such as customers, dealers, and service teams. A standard turnaround time of 5 days is set for resolution, with escalations to higher authorities like Area Managers if delays occur. The process is monitored daily by the Head Office to ensure timely action and transparency. Additional tools such as escalation boards, mobile apps, and customer information in manuals further support awareness, engagement, and effective grievance redressal.

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

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

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

| | FY (2025-26) | | Remark | PY (2024-25) | | Remark |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | | Received during the year | Pending resolution at end of year | |
| Data privacy | 0 | 0 | - | 0 | 0 | - |
| Advertising | 0 | 0 | - | 0 | 0 | - |
| Cyber-security | 0 | 0 | - | 0 | 0 | - |
| Delivery of essential services | 0 | 0 | - | 0 | 0 | - |
| Restrictive Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Unfair Trade Practices | 0 | 0 | - | 0 | 0 | - |
| Other (through consumer courts) | 2 | 8 | - | 0 | 7 | - |

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

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | NIL | NA |
| Forced recalls | NIL | NA |

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

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

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

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

7. **Provide the following information relating to data breaches:**

   a. Number of instances of data breaches along-with impact: NIL

   b. Percentage of data breaches involving personally identifiable information of customers: NIL

**Leadership Indicators**

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

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

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

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

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

   The Company is not providing any Essential Services directly.

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

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

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

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

**Annexure-K to Boards' Report**

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

| | | | |
|---|---|---|---|
| 1 | The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year; | CEO | 21x |
| | | Director | 18x |
| | | CFO | 17x |
| | | CS | 2.8x |
| 2 | The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year; | CEO | Japanese expats, salary not increased |
| | | Director | Japanese expats, salary not increased |
| | | CFO | |
| | | CS | 8% |
| 3 | The percentage increase in the median remuneration of the employees in the Financial Year | The median remuneration of the employees in the financial year was increased by 8.7%. The calculation of percentage increase in median remunderation is done based on the comparable employees. For this we have excluded employees who were not eligible for any increment. | |
| 4 | The number of permanent employees on the rolls of the Company | The number of employees on the rolls of the Company including Japanese expats were 711. | |
| 5 | Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | Average percentage increase made in the salaries of Employees other than managerial personnel, in the financial year was 9%. Increase in salaries of managerial personnel was made at 8%. The average increase every year is an outcome of the performance of Company and Company's reward philosophy. | |
| 6 | Affirmation that remuneration is as per the remuneration policy of the Company | It is affirmed that remuneration is as per the remuneration policy of the Company. | |

## Independent Auditor's Report

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

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Honda India Power Products Limited (the "Company") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Key Audit Matter(s)**

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

| **Key audit matter** | |
|---|---|
| See Note 2(xi) and 16 to financial statements | |
| **The key audit matter** | **How the matter was addressed in our audit** |
| **Revenue from sale of products to customers including related parties**<br>The Company's revenue is derived primarily from sale of portable gensets, water pumps, general purpose engines, lawn mowers, brush cutters and tillers ("goods"). Revenue from the sale of goods is recognised upon satisfaction of performance obligation which is at a point in time when the control of the goods is transferred to the customer. Revenue is a key performance metric which contains significant related party transactions.<br>Revenue recognition has been identified as a key audit matter as there could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognized before the control of the goods has been transferred to the customer. | In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:<br>• We assessed the appropriateness of Company's accounting policies for revenue recognition by comparing with Ind AS 115 'Revenue from contracts with customers'.<br>• We evaluated the design, implementation and operating effectiveness of key internal controls over recognition of revenue. |
| | • We performed substantive testing by selecting samples (using statistical sampling) of revenue transactions recorded during the year by testing the underlying documents which included sales invoices, shipping documents and proof of deliveries, to assess whether these are recognised in the appropriate period in which control of the goods is transferred to the customer. |
| | • We performed analytical procedures on variance of current year revenue in comparison to previous year revenue and where appropriate conducted further testing. |
| | • We tested, on a sample basis, (using statistical sampling), specific revenue transactions recorded before and after the financial year-end date to assess whether revenue is recognised in the financial period in which control of the goods is transferred to the customer. |
| | • For revenue from sale of goods to the related parties, we verified the Company's analysis in relation to arm's length assessment and involved our internal tax specialists. |
| | • We tested journal entries on revenue recognised during the year, by considering specified riskbased criteria, to identify unusual or irregular items. |
| | • We assessed the adequacy of disclosure made in the financial statements with respect to revenue recognised during the year as required by Ind AS 115 'Revenue from contracts with customers'. |

**Other Information**

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

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

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

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in the paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2A(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2B(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its financial statements - Refer Note 31 to the financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

d. (i) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 38(v) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of their knowledge and belief, as disclosed in the Note 38(v) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in compliance accordance with Section 123 of the Act.

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

f. Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the period for all relevant transactions recorded in the respective software.

i. For the accounting software used for maintaining general ledger audit trail (edit log) facility was not enabled at application level and the database level in relation to purchase and inventory till 22 June 2025 and production till 30 October 2025 of such accounting software.

ii. the accounting software used for maintaining payroll related information did not have the feature of audit trail (edit log) facility except for application level at employee master and bank data.

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

Additionally, except to the extent where audit trail was not enabled or operating effectively, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

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

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

**Rajesh Arora**
Partner
Membership No.: 076124
ICAI UDIN:26076124DYJAOA2092

Place: Greater Noida
Date: 26 May 2026

**Annexure A to the Independent Auditor’s Report on the Financial Statements of Honda India Power Products Limited for the year ended 31 March 2026**

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

(i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 (“the Act”) are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable, except as mentioned below:

| Name of the statute | Nature of the dues | Amount (Rs. in Lakhs) | Period to which the amount relates | Due date | Date of payment | Remarks, if any |
|---|---|---|---|---|---|---|
| Employee's provident funds & miscellaneous provisions Act, 1952 | Provident fund | 4.8 | FY 2018-19 | 15 April 2019 | Not paid | - |

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

| Name of the statute | Nature of the dues | Amount (Rs. in Lakhs) | Amount deposited under protest (Rs. in Lakhs) | Period to which the amount relates | Forum where dispute is pending |
|---|---|---|---|---|---|
| The Customs Act, 1962 | Customs Duty | 22.76 | 22.76 | 2014-15 | Customs Excise & Service Tax Appellate Tribunal, Chennai |
| The Customs Act, 1962 | Customs Duty | 11.06 | 0.83 | 2019-20 | Customs Excise & Service Tax Appellate Tribunal, Chennai |
| The Customs Act, 1962 | Customs Duty | 398.18 | 29.86 | 2018-22 | Customs Excise & Service Tax Appellate Tribunal, Allahabad |
| The Customs Act, 1962 | Customs Duty | 4,441.69 | 1,756.40 | 2018-23 | Customs Excise & Service Tax Appellate Tribunal, Allahabad |
| The Customs Act, 1962 | Customs Duty | 5.51 | - | 2018-21 | Principal Commissioner of Customs, Noida |
| Various Sales Tax Act | Sales Tax | 3.55 | 0.89 | 1999-00 | Honable High Court, Uttaranchal |
| Various Sales Tax Act | Sales Tax | 21.12 | - | 2000-01 | WBCT Appellate & revision board |
| Various Sales Tax Act | Sales Tax | 0.15 | - | 2002-03 | Deputy Commissioner Commercial Taxes |
| Various Sales Tax Act | Sales Tax | 1.19 | - | 2003-04 | Deputy Commissioner (Appeals), Bhopal |
| Various Sales Tax Act | Sales Tax | 5.96 | - | 2004-05 | Joint Commissioner (Appeals), Rudrapur |
| Various Sales Tax Act | Sales Tax | 1.78 | 0.18 | 2007-08 | Sales Tax Appellate Authority, Bhopal |
| Various Sales Tax Act | Sales Tax | 0.74 | - | 2012-13 | Deputy Commissioner (Appeals), Uttar pradesh |
| Various Sales Tax Act | Sales Tax | 63.49 | 20.32 | 2011-12 | High Court, Chattisgarh |
| Various Sales Tax Act | Sales Tax | 22.43 | 7.19 | 2012-13 | High Court, Chattisgarh |
| Various Sales Tax Act | Sales Tax | 14.53 | 14.53 | 2017-18 | VAT officer, Bhopal |
| Various Sales Tax Act | Sales Tax | 183.17 | 51.28 | 2015-16 | VAT Tribunal |
| Various Sales Tax Act | Sales Tax | 112.70 | 51.47 | 2016-17 | VAT Tribunal |

| | | | | | |
|---|---|---|---|---|---|
| Various Sales Tax Act | Sales Tax | 58.45 | - | 2017-18 | Deputy Commissioner (Appeals), Noida |
| Goods & Service tax, Act | Goods & Service tax | 5.41 | 3.31 | 2019-20 | Assistant Commissioner (Appeals), Raipur |
| Goods & Service tax, Act | Goods & Service tax | 1.96 | - | 2017-18 | Assistant Commissioner (Appeals), Bangalore |
| Goods & Service tax, Act | Goods & Service tax | 4.27 | 0.21 | 2019-20 | Commissioner Appeal, Bhubneshwar |
| Goods & Service tax, Act | Goods & Service tax | 9.55 | 0.95 | 2021-22 | Commissioner Appeal, Chennai |
| Income Tax Act, 1961 | Income Tax | 1,857.70 | 88.01 | AY- 2020-21 | Income Tax Appellate Tribunal (ITAT) |
| Income Tax Act, 1961 | Income Tax | 1,696.55 | 327.55 | AY-2016-17 | Commissioner of Income Tax Appeals (CIT) |
| Income Tax Act, 1961 | Income Tax | 625.19 | 127.22 | AY- 2015-16 | Commissioner of Income Tax Appeals (CIT) |
| Income Tax Act, 1961 | Income Tax | 1,999.00 | 1,027.27 | AY_ 2014-15 | Commissioner of Income Tax Appeals (CIT) |
| Income Tax Act, 1961 | Income Tax | 1,543.31 | 1,419.99 | AY- 2013-14 | Commissioner of Income Tax Appeals (CIT) |
| Income Tax Act, 1961 | Income Tax | 48.00 | 48.00 | AY- 2011-12 | Commissioner of Income Tax Appeals (CIT) |
| Income Tax Act, 1961 | Income Tax | 18.59 | - | AY_ 2007-08 | Commissioner of Income Tax Appeals (CIT) |

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

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

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

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

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

(e) The Company does not hold any investment in any subsidiaries, associates or joint ventures (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(e) is not applicable.

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

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

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

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as defined in the regulations made by the Reserve Bank of India). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has transferred the unspent amount to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the said Act.

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

**Rajesh Arora**
Partner
Membership No.: 076124
ICAI UDIN:26076124DYJAOA2092

Place: Greater Noida
Date: 26 May 2026

**Annexure B to the Independent Auditor's Report on the financial statements of Honda India Power Products Limited for the year ended 31 March 2026**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

We have audited the internal financial controls with reference to financial statements of Honda India Power Products Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls with Reference to Financial Statements**

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

**Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

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

**Rajesh Arora**
Partner
Membership No.: 076124
ICAI UDIN:26076124DYJAOA2092

Place: Greater Noida
Date: 26 May 2026

## Balance sheet as at March 31, 2026

*(All amounts in INR lakhs, unless otherwise stated)*

| | Notes | March 31, 2026 | March 31, 2025 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 12,458 | 10,178 |
| Right-of-use assets | 3(a) | 444 | 360 |
| Capital work-in-progress | 3(b) | 4,341 | 638 |
| Other intangible assets | 4 | 277 | 150 |
| Intangible assets under development | 4(a) | 39 | 145 |
| Financial assets | | | |
| i. Other financial assets | 5(d) | 116 | 2,526 |
| Deferred tax assets (net) | 6 | 1,238 | 1,324 |
| Non-current tax assets (net) | 7 | 5,199 | 4,599 |
| Other non-current assets | 8 | 2,544 | 3,229 |
| **Total non-current assets** | | **26,656** | **23,149** |
| **Current assets** | | | |
| Inventories | 9 | 15,035 | 11,885 |
| Financial assets | | | |
| i. Trade receivables | 5(a) | 15,766 | 11,805 |
| ii. Cash and cash equivalents | 5(b) | 6,633 | 3,065 |
| iii. Bank balances other than cash and cash equivalents | 5(c) | 1,310 | 51,151 |
| iv. Other financial assets | 5(d) | 34,573 | 2,103 |
| Other current assets | 10 | 3,209 | 1,592 |
| **Total current assets** | | **76,526** | **81,601** |
| **Total assets** | | **1,03,182** | **1,04,750** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 11(a) | 1,014 | 1,014 |
| Other equity | | | |
| Reserves and surplus | 11(b) | 79,323 | 85,339 |
| **Total equity** | | **80,337** | **86,353** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| i. Lease liabilities | 3(a) | 46 | 2 |
| Provisions | 14 | 46 | 40 |
| **Total non-current liabilities** | | **92** | **42** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| i. Trade payables | 12(a) | | |
| -Total outstanding dues of micro enterprises and small enterprises | | 1,741 | 1,207 |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises | | 9,001 | 6,942 |
| ii. Lease liabilities | 3(a) | 53 | 8 |
| iii. Other financial liabilities | 12(b) | 4,477 | 2,101 |
| Contract liabilities | 13 | 1,704 | 1,948 |
| Provisions | 14 | 2,046 | 2,534 |
| Other current liabilities | 15 | 3,731 | 3,615 |
| **Total current liabilities** | | **22,753** | **18,355** |
| **Total liabilities** | | **22,845** | **18,397** |
| **Total equity and liabilities** | | **1,03,182** | **1,04,750** |

Company information and material accounting policies (1 and 2).
The above balance sheet should be read in conjunction with the accompanying notes (1 to 38) to financial statements.
This is the balance sheet referred to in our report of even date.

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

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

**Rajesh Arora**
Partner
Membership No. 076124

**Sunita Ganjoo**
Company Secretary

**Shigeki Iwama** **DIN: 10075458** CMD and President & CEO

**Vinay Mittal** **DIN: 05242535** Whole time director & CFO

Place : Greater Noida
Date : 26th May 2026

Place : Greater Noida
Date : 26th May 2026

## Statement of Profit and Loss for the year ended March 31, 2026

*(All amounts in INR lakhs, unless otherwise stated)*

| | Notes | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|---|
| Revenue from operations | 16 | 86,545 | 79,423 |
| Other income | 17 | 3,736 | 4,228 |
| **Total income** | | **90,281** | **83,651** |
| **Expenses** | | | |
| Cost of materials consumed | 18 | 42,780 | 36,692 |
| Purchases of stock in trade | | 9,147 | 5,566 |
| Changes in inventories of finished goods, work in progress and stock-in-trade | 19 | (1,407) | 2,141 |
| Employee benefits expense | 20 | 13,977 | 13,366 |
| Finance costs | 21 | 16 | 46 |
| Depreciation and amortisation expense | 22 | 2,324 | 2,180 |
| Other expenses | 23 | 13,876 | 12,890 |
| **Total expenses** | | **80,713** | **72,881** |
| **Profit before tax** | | **9,568** | **10,770** |
| **Exceptional Items** | 37 | **(999)** | **-** |
| **Profit after exceptional items before tax** | | **8,569** | **10,770** |
| Tax expense | 24 | | |
| - Current tax | | 2,142 | 3,061 |
| - Tax credit related to prior years | | - | (25) |
| - Deferred tax (credit)/expense | | 3 | (260) |
| **Total tax expense** | | **2,145** | **2,776** |
| **Profit for the year** | | **6,424** | **7,994** |
| **Other comprehensive income** | | | |
| Items that will not be reclassified to profit or loss | | | |
| Remeasurements of post-employment benefit obligations | 25 | 323 | (84) |
| Income tax relating to above item | 24 | (83) | 21 |
| **Other comprehensive income/(loss) for the year, net of tax** | | **240** | **(63)** |
| **Total comprehensive income for the year** | | **6,664** | **7,931** |
| **Earnings per equity share (face value of Rs.10 each)** | **35** | | |
| Basic | | 63.33 | 78.81 |
| Diluted | | 63.33 | 78.81 |

Company information and material accounting policies (1 and 2).

The above statement of profit and loss should be read in conjunction with the accompanying notes (1 to 38) to financial statements.

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

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

**Rajesh Arora**
Partner
Membership No. 076124

Place : Greater Noida
Date : 26th May 2026

**Sunita Ganjoo**
Company Secretary

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

**Shigeki Iwama** **DIN: 10075458** CMD and President & CEO
**Vinay Mittal** **DIN: 05242535** Whole time director & CFO

Place : Greater Noida
Date : 26th May 2026

## Statement of changes in equity for the year ended March 31, 2026

*(All amounts in INR lakhs, unless otherwise stated)*

**A Equity share capital**

| | Notes | Amount |
|---|---|---|
| As at April 1, 2024 | | 1,014 |
| Changes in equity share capital | 11(a) | - |
| **As at March 31, 2025** | | **1,014** |
| Changes in equity share capital | 11(a) | - |
| **As at March 31, 2026** | | **1,014** |

**B Other equity**

| | Reserves and surplus | | | |
|---|---|---|---|---|
| | Securities premium | General reserve | Retained earnings | Total |
| **Balance at April 1, 2024** | **396** | **12,087** | **67,714** | **80,197** |
| Profit for the year | - | - | 7,994 | 7,994 |
| Other comprehensive income | | | | |
| Remeasurements of post-employment benefit obligations(net) | - | - | (63) | (63) |
| **Total comprehensive income for the year** | **-** | **-** | **7,931** | **7,931** |
| **Transactions with owners in their capacity as owners:** | | | | |
| Dividend paid | - | - | (2,789) | (2,789) |
| | **-** | **-** | **(2,789)** | **(2,789)** |
| **Balance at March 31, 2025** | **396** | **12,087** | **72,856** | **85,339** |
| **Balance at April 1, 2025** | **396** | **12,087** | **72,856** | **85,339** |
| Profit for the year | - | - | 6,424 | 6,424 |
| Other comprehensive income | | | | |
| Remeasurements of post-employment benefit obligations(net) | - | - | 240 | 240 |
| **Total comprehensive income for the year** | **-** | **-** | **6,664** | **6,664** |
| **Transactions with owners in their capacity as owners:** | | | | |
| Dividend paid | - | - | (12,680) | (12,680) |
| | **-** | **-** | **(12,680)** | **(12,680)** |
| **Balance at March 31, 2026** | **396** | **12,087** | **66,840** | **79,323** |

Company information and material accounting policies (1 and 2).
The above statement of changes in equity should be read in conjunction with the accompanying notes ( 1 to 38) to financial statements.

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

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

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

**Rajesh Arora**
Partner
Membership No. 076124

**Sunita Ganjoo**
Company Secretary

**Shigeki Iwama** **DIN: 10075458** CMD and President & CEO
**Vinay Mittal** **DIN: 05242535** Whole time director & CFO

Place : Greater Noida
Date : 26th May 2026

Place : Greater Noida
Date : 26th May 2026

## Statement of cash flows for the year ended March 31, 2026

*(All amounts in INR lakhs, unless otherwise stated)*

| | | Year ended March 31, 2026 | Year ended March 31, 2025 |
|---|---|---|---|
| **A.** | **Cash flow from operating activities** | | |
| | **Profit before tax** | **9,568** | **10,770** |
| | **Adjustments for:** | | |
| | Depreciation and amortisation expense | 2,324 | 2,180 |
| | Net loss/(gain) on disposal of property, plant and equipment and intangible assets | 1 | (82) |
| | Interest income on bank deposits | (3,143) | (3,746) |
| | Finance costs | 16 | 46 |
| | Net unrealised exchange gain | (94) | (53) |
| | Provisions / liabilities written back to the extent no longer required | (92) | (57) |
| | Bad debts written off | 0 | 5 |
| | Loss allowance for doubtful advances | - | 137 |
| | Provision created for slow moving inventory | 42 | 529 |
| | Advances written off | 3 | 3 |
| | **Operating profit before working capital changes** | **8,625** | **9,732** |
| | (Increase) in trade receivables | (3,829) | (6,753) |
| | (Increase)/Decrease in inventories | (3,193) | 1,679 |
| | Increase/(Decrease) in trade payables | 2,524 | (1,848) |
| | Decrease/(Increase) in other financial assets | 482 | (611) |
| | (Increase)/Decrease in other non current assets | (26) | 36 |
| | (Increase)/Decrease in other current assets | (1,617) | 787 |
| | (Decrease)/Increase in provisions | (158) | 25 |
| | (Decrease) in other financial liabilities | (34) | (25) |
| | (Decrease)/Increase in contract liabilities | (216) | 454 |
| | Increase in other current liabilities | 116 | 1,916 |
| | **Cash generated from operations** | **2,674** | **5,392** |
| | Income taxes paid (net of refunds and interest received on Income tax refund) | (2,742) | (3,183) |
| | Exceptional Items | (999) | - |
| | **Net cash (used in)/ generated from operating activities - Total (A)** | **(1,067)** | **2,209** |
| **B.** | **Cash flows from investing activities** | | |
| | Acquisition for property, plant and equipment | (5,083) | (3,968) |
| | Acquisition for intangibles assets | (154) | (168) |
| | Proceeds from sale of property, plant and equipment and intangibles assets | 38 | 106 |
| | Investment in bank deposits | (41,469) | (49,022) |
| | Proceeds from maturity of bank deposits | 59,955 | 42,672 |
| | Interest received | 3,954 | 3,400 |
| | **Net cash generated/ (used) in investing activities - Total (B)** | **17,241** | **(6,980)** |
| **C.** | **Cash flows from financing activities** | | |
| | Dividends paid | (12,612) | (2,778) |
| | Finance costs paid | (14) | (41) |
| | Payment of lease liabilities | (13) | (26) |
| | **Net cash used in financing activities - Total (C)** | **(12,639)** | **(2,845)** |
| **D.** | **Net increase/(decrease) in cash and cash equivalents (A)+(B)+(C)** | **3,535** | **(7,616)** |
| | **Cash and cash equivalents at the beginning of the year** | **3,065** | **10,606** |
| | **Effects of movement in exchange rates** | **33** | **75** |
| | **Cash and cash equivalents at the end of the year** | **6,633** | **3,065** |
| | **Reconciliation of cash and cash equivalents as per the cash flow statement** | | |
| | Cash and cash equivalents as per above comprise of the following [Refer note 5(b)] | | |
| | Balances with banks | 593 | 1,129 |
| | Deposits with original maturity of less than three months | 5,825 | 1,725 |
| | Cheques in hand | 215 | 210 |
| | Cash in hand | 0 | 1 |
| | **Balances per statement of cash flows** | **6,633** | **3,065** |
| **E.** | **Non-cash financing and investing activities** | | |
| | - Acquisition of right-of-use assets [Refer note 3(a)] | 100 | - |

**Note**

The statement of cash flow has been prepared under the indirect method as set out in Ind AS 7 "Statement of cash flow".

The above statement of cash flows should be read in conjunction with the accompanying notes (1 to 38) to financial statements.

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

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

**Rajesh Arora**
Partner
Membership No. 076124

Place : Greater Noida
Date : 26th May 2026

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

**Sunita Ganjoo**
Company Secretary

**Shigeki Iwama** **DIN: 10075458** CMD and President & CEO

**Vinay Mittal** **DIN: 05242535** Whole time director & CFO

Place : Greater Noida
Date : 26th May 2026

**Notes to the financial statements for the year ended March 31, 2026**

**1. Company overview**

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

**2. Material accounting policies**

**i) Basis of preparation of financial statements**

(i) Compliance with Indian Accounting Standards

These financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, notified under section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The financial statements for the year ended 31 March 2026 were approved and authorized for issue by the Board of Directors on 26 May 2026.

(ii) Basis of measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured on an alternative basis at each reporting date:

defined benefit plans - plan assets measured at fair value less present value of defined benefit obligation.

(iii) Recent issued accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 7 May 2025 and 13 August 2025, the Ministry of Corporate Affairs (MCA), notified Companies (Indian Accounting Standards) Amendment Rules, 2025 and Companies (Indian Accounting Standards) Second Amendment Rules, 2025, respectively, effective on or after 1 April 2025. None of the amendment effective 1 April 2025 had any impact on the financial statements of the Company.

For accounting periods beginning on or after 1 April 2026, when an entity breaches any covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand, it classifies the liability as current, even if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. An entity classifies the liability as current because, at the end of the reporting period, it does not have the right to defer its settlement for at least 12 months after that date.

However, an entity classifies the liability as non-current if the lender agreed by the end of the reporting period to provide a period of grace ending at least 12 months after the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

This amendment is to be applied retrospectively for annual reporting periods beginning on or after 1 April 2026, in accordance with Ind AS 8, Accounting Policies, Accounting Estimates and Errors.

**ii) Foreign currency transactions**

Functional and presentation currency

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

Transaction and balances

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

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

**iii) Critical estimates and judgements**

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

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

a) Judgements:

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Revenue recognition - In revenue arrangements where more than one good or service is provided to the customer, transaction price is allocated between the goods and services using relative standalone selling price. The Company generally determines the standalone selling price of individual elements based on a cost plus a reasonable margin. Revision to the estimates of these standalone selling price may significantly affect the allocation of total consideration among the individual elements. Refer note 16 of financial statements.
- Lease term: The Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The discount rate is generally based on the incremental borrowing rate, to determine the incremental borrowing rate, the Company uses recent third-party financing options received by the Company, adjusted to lease term etc., specific to the lease being evaluated. Refer note 3(a) of financial statements.

b) Assumptions and estimation uncertainty:

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes.

- Estimated useful life of property, plant and equipment and intangible asset – The annual depreciation and amortisation charge is sensitive to the estimated lives allocated to each type of asset. Assets lives are assessed annually and changed where necessary to reflect current circumstances considering technological change and physical conditions of the assets concerned, Note 3 & 4.
- Estimation of defined benefit obligation – Actuarial assumption, Note 25
- Estimation of provision for warranty claims – Historical warranty claim experience, Note 14
- Estimation of provision for inventory obsolescence – Historical movement of slow-moving inventory, Note 9
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources – Note 31;

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

**iv) Rounding of amounts**

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

**v) Current – non-current classification**

Based on the time involved between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has identified twelve months as its operating cycle for determining current and non-current classification of assets and liabilities in the balance sheet.

**vi) Property, plant and equipment**

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Freehold land is carried at historical cost less any accumulated impairment losses, if any. All other items of property, plant and equipment (including capital work in progress) are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies, estimated costs of dismantling and removing the item and restoring the place on which it is located and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

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

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

Depreciation methods estimated useful lives and residual value.

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

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

| Block of Asset | Estimated life (Years) | As per Companies Act Schedule II |
|---|---|---|
| Factory Buildings | 30 Years | 30 Years |
| Non-Factory Buildings | 60 Years | 60 Years |
| Plant and equipment (Dies/Jigs and fixtures) | 5 years | 15 Years |
| Plant and equipment (Electrical Installation) | 10 Years | 15 Years |
| Plant and equipment-Others | 15 Years | 15 Years |
| Office Equipment | 5 years | 5 years |
| Furniture and fixtures | 8 years | 10 Years |
| Vehicles | 5 years | 8 Years |
| Computers (Servers) | 3 years | 3 to 6 Years |

Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Freehold land is not depreciated.

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

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

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

The cost property, plant and equipment at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognized as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

**vii) Intangible assets**

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

Subsequent expenditure is capitalised only when it is probable that future economic benefits associated with the specific asset will flow to the Company and the cost of the item can be measured reliably. All other expenditure is recognised in the statement of profit and loss as incurred.

Amortisation methods and periods:

Intangible assets are amortised in the Statement of Profit and Loss over their estimated useful lives using the straight-line method, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.

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

The amortization rates are as follows:

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

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

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

The cost of Intangible assets at 1 April 2016, the Company's date of transition to Ind AS, was determined with reference to its carrying value recognized as per the previous GAAP (deemed cost), as at the date of transition to Ind AS.

**viii) Impairment of non-financial assets**

Property, plant and equipment and Intangible assets are reviewed at each reporting date to determine if there is indication of any impairment. If any indication exists, the asset's recoverable amount is estimated. For assets that are not yet available for use, the recoverable amount is estimated at each reporting date. An impairment loss is recognised for the amount by which the carrying amount of an asset or cash generating unit exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the assets or CGU. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Impairment losses are recognised in the Statement of Profit and Loss. An impairment loss are reviewed for possible reversal at the end of each reporting period. An impairment loss is reversed if there has been change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization if no impairment loss had been recognised.

**ix) Inventories**

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

Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

Goods in transit are valued at purchase cost.

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

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

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

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

**x) Employee benefits**

Short term employee benefits

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

Post-employment benefits

The Company operates the following post-employment schemes:

(a) defined contribution plans such as national pension scheme and employee state insurance scheme; and

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

Defined contribution plans

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

(i) National Pension Scheme (NPS)

The Company has contributed to National Pension Scheme and is recognized as an expense in the statement of profit and loss every year.

(ii) Employee's state insurance scheme

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

Defined benefit plans

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

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets, both determined at the start of the annual reporting period. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

(i) Gratuity

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

(ii) Provident Fund

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

The annual contributions paid by the Company to the provident fund are charged off to the Statement of Profit and Loss. In addition, the Company provides for the interest shortfall, if any and is determined annually based on an independent actuarial valuation report.

Other long-term employee benefit obligations - Compensated Absences

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

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

**xi) Revenue recognition – Revenue from Contracts with Customers**

**Sale of goods**

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

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

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

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

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

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

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

**Sale of services**

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

**Measurement of revenue:** The amount of service coupon revenue is based on the number of coupons redeemed or expired relative to the total number of coupons expected to be redeemed or expired based on relative standalone selling price of performance obligation

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

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

**xii) Other operating revenue:**

**Export incentive income**

Export benefits under various schemes notified by the government are recognized when there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the scheme.

**xiii) Interest income**

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

**xiv) Financial assets**

Classification

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

(i) those to be measured subsequently at fair value (either through other comprehensive income, or through the statement of profit and loss), and

(ii) those measured at amortised cost.

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

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

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

Measurement

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

Debt instruments

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

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

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

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

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

Impairment of financial assets

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

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

Derecognition of financial assets:

A financial asset is derecognised only when:

(i) The Company has transferred the rights to receive cash flows from the financial asset or

(ii) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

**Trade receivables**

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

**xv) Financial Liabilities:**

All financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. The subsequent measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. Changes in fair value of such liability are recognized in the statement of profit and loss.

Financial liabilities at amortized cost

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate (EIR) method except for deferred consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. Gains and losses are recognized in the statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

**xvi) Offsetting financial instruments**

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

**xvii) Trade and other payables**

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

**xviii) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be estimated reliably. Expected future operating losses are not provided for.

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

Warranty costs

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

**xix) Contingent liabilities and contingent assets**

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

**xx) Income Taxes**

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

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

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

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

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

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

**xxi) Leases**

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

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

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date

- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

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

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

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

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

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

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

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re measurement of the lease liability. The right-of-use asset is depreciated from the commencement date on a straight-line basis over the shorter of the lease term unless the lease transfers ownership of the underlying asset to the Company and useful life of the underlying asset. Leasehold land is amortized on a straight-line basis over the period of lease i.e. 90 years. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

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

**xxii) Cash and cash equivalents**

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

**xxiii) Segment reporting**

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

**xxiv) Earnings per share**

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

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

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

**xxv) Contributed equity**

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

**xxvi) Dividends**

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

**xxvii) Royalty**

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

**xxviii) Fair value Measurement:**

**(a) Fair value hierarchy:**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices (for example, listed equity instruments, traded bonds and mutual funds that have quoted price).

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

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

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 3: Property, plant and equipment and Capital work-in-progress (CWIP)**

| | Freehold land | Buildings | Plant and equipment | Furniture and fixtures | Vehicles | Office equipment | Computers | Total | Capital work-in-progress (CWIP) |
|---|---|---|---|---|---|---|---|---|---|
| **Year ended March 31, 2025** | | | | | | | | | |
| **Gross carrying amount** | | | | | | | | | |
| **Gross carrying amount as on 1st April 2024** | **117** | **4,166** | **14,212** | **175** | **781** | **470** | **273** | **20,194** | **722** |
| Additions during the year | 18 | 549 | 1,846 | 171 | 16 | 407 | 90 | 3,097 | 3,013 |
| Disposals during the year | - | (10) | (245) | (66) | (246) | (112) | (153) | (832) | - |
| Transfer during the year | - | - | - | - | - | - | - | - | (3,097) |
| **Gross carrying amount as on 31st March 2025** | **135** | **4,705** | **15,813** | **280** | **551** | **765** | **210** | **22,459** | **638** |
| **Accumulated depreciation** | | | | | | | | | |
| Accumulated depreciation as at 1st April 2024 | - | 1,170 | 9,204 | 107 | 207 | 238 | 140 | **11,066** | - |
| Depreciation charge during the year | - | 160 | 1,499 | 27 | 137 | 124 | 77 | **2,024** | - |
| Disposals during the year | - | (1) | (243) | (65) | (240) | (108) | (152) | **(809)** | - |
| **Accumulated depreciation as at 31st March 2025** | **-** | **1,329** | **10,460** | **69** | **104** | **254** | **65** | **12,281** | **-** |
| **Net carrying amount** | **135** | **3,376** | **5,353** | **211** | **447** | **511** | **145** | **10,178** | **638** |
| **Year ended March 31, 2026** | | | | | | | | | |
| **Gross carrying amount** | | | | | | | | | |
| **Gross carrying amount as on 1st April 2025** | **135** | **4,705** | **15,813** | **280** | **551** | **765** | **210** | **22,459** | **638** |
| Additions during the year | - | 1,183 | 1,949 | 264 | 139 | 872 | 86 | 4,493 | 8,196 |
| Disposals during the year | - | (30) | (137) | (31) | (29) | (28) | (138) | (393) | |
| Transfer during the year | - | - | - | - | - | - | - | - | (4,493) |
| **Gross carrying amount as on 31st March 2026** | **135** | **5,858** | **17,625** | **513** | **661** | **1,609** | **158** | **26,559** | **4,341** |
| **Accumulated depreciation** | | | | | | | | | |
| **Accumulated depreciation as at 1st April 2025** | **-** | **1,329** | **10,460** | **69** | **104** | **254** | **65** | **12,281** | **-** |
| Depreciation charge during the year | - | 173 | 1,490 | 46 | 150 | 218 | 97 | 2,174 | - |
| Disposals during the year | - | (14) | (129) | (28) | (19) | (26) | (138) | (354) | - |
| **Accumulated depreciation as at 31st March 2026** | **-** | **1,488** | **11,821** | **87** | **235** | **446** | **24** | **14,101** | **-** |
| **Net carrying amount** | **135** | **4,370** | **5,804** | **426** | **426** | **1,163** | **134** | **12,458** | **4,341** |

(i) *Contractual obligations*
Refer to note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment, capital work-in-progress and intangible assets.

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

(iii) The title deeds of immovable properties (other than the immovable properties where the Company is lessee and lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 3(a): Right-of-use assets and lease liabilities**

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

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Buildings | 99 | 9 |
| Leasehold land | 345 | 351 |
| **Total Right-of use assets** | **444** | **360** |

**Carrying amount of lease liabilities at the end of the reporting period:**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Lease liabilities** | | |
| Current | 53 | 8 |
| Non Current | 46 | 2 |
| **Total lease liabilities** | **99** | **10** |

**Amounts recognised in the statement of profit and loss**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Amortisation of right-of-use assets (refer note 22) | | |
| Buildings | 10 | 24 |
| Leasehold land | 6 | 6 |
| | 16 | 30 |
| Interest on lease liabilities (refer note 21) | 2 | 5 |
| Expense relating to short-term leases (included in Rent) (refer note 23) | 375 | 361 |
| **Total expense recognised in statement of profit or loss** | **393** | **396** |
| **Total cash outflow for leases** | **377** | **366** |
| Additions to the right of use assets during the current financial year | **100** | **-** |

**The reconciliation of lease liabilities is as follows:**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Balance as at beginning of the year** | 10 | 47 |
| Addition in lease liabilities during the year | 100 | - |
| Amounts recognized in statement of profit and loss as interest expense | 2 | 5 |
| Payment of lease liabilities | (13) | (26) |
| Derecognition | - | (16) |
| **Balance as at end of the year** | **99** | **10** |

**Contractual maturities of lease liabilities**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Not later than One year | 53 | 8 |
| Later than One year but not later than five years | 46 | 2 |
| **Balance as at end of the year** | **99** | **10** |

**Changes in profit due to Ind AS 116 (Leases) for the year ended March 31, 2026**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Decrease in rent expense | 13 | 26 |
| Increase in finance cost | (2) | (5) |
| Increase in depreciation and amortisation expense | (10) | (24) |
| **Net (decrease) in profit before tax** | **1** | **(3)** |

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

*Weighted average lessee's incremental borrowing rate applied to lease liabilities is 8.50%p.a. (March 31, 2025: 9.18%p.a.).

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

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

(i) Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.

(ii) Accounting for operating leases with a remaining lease term of less than 12 months as short-term leases.

(iii) Excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

(iv) Excluding low value lease with respect to individual asset in a class of asset.

**Note 3 (b) : Capital Work-in-Progress (CWIP)**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Carrying amount of capital work in progress (CWIP) | 4,341 | 638 |
| **Total** | **4,341** | **638** |

**(a) Ageing of CWIP:**

| Project in Progress | Amounts in Capital Work-in-progress for | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| **As at March 31, 2026** | 4,262 | 79 | - | - | 4,341 |
| **As at March 31, 2025** | 638 | - | - | - | 638 |

**(b) Completion schedule for capital work-in-progress whose completion is overdue or has exceeded its cost comparable to its original plan:**

| Particulars | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Year | 2-3 Year | More than 3 Years | Total |
| **As at March 31, 2026** | | | | | |
| **Projects in Progress** | | | | | |
| (i) Plant and equipment | 1,807 | - | - | - | **1,807** |
| (ii) Buildings | 120 | - | - | - | **120** |
| (ii) Office Equipments | 47 | - | - | - | **47** |
| (iii) Furniture & Fixtures | 15 | - | - | - | **15** |
| Projects temporarily suspended | - | - | - | - | **-** |
| **Total** | **1,989** | **-** | **-** | **-** | **1,989** |
| **As at March 31, 2025** | | | | | |
| **Projects in Progress** | | | | | |
| (i) Plant and equipment | 160 | - | - | - | **160** |
| (ii) Buildings | 142 | - | - | - | **142** |
| (ii) Office Equipments | 54 | - | - | - | **54** |
| Projects temporarily suspended | - | - | - | - | **-** |
| **Total** | **356** | **-** | **-** | **-** | **356** |

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 4: Other intangible assets**

| | Technical knowhow - Model fees | Software | Total | Intangible assets under development |
|---|---|---|---|---|
| **Year ended March 31, 2025** | | | | |
| **Gross carrying amount** | | | | |
| **Gross carrying amount as on 1st April 2024** | **397** | **908** | **1,305** | **16** |
| Additions during the year | - | 39 | 39 | 168 |
| Disposals during the year | - | (39) | (39) | - |
| Transfer during the year | - | - | - | (39) |
| **Gross carrying amount as on 31st March 2025** | **397** | **908** | **1,305** | **145** |
| **Accumulated amortisation** | | | | |
| **Accumulated amortisation as at 1st April 2024** | **369** | **699** | **1,068** | **-** |
| Amortisation charge for the year | 14 | 112 | 126 | - |
| Disposals during the year | - | (39) | (39) | - |
| **Accumulated amortisation as at 31st March 2025** | **383** | **772** | **1,155** | **-** |
| **Closing net carrying amount** | **14** | **136** | **150** | **145** |
| **Year ended March 31, 2026** | | | | |
| **Gross carrying amount** | | | | |
| **Gross carrying amount as on 1st April 2025** | **397** | **908** | **1,305** | **145** |
| Additions during the year | - | 261 | 261 | 155 |
| Disposals during the year | - | (35) | (35) | (261) |
| Transfer during the year | | | - | |
| **Gross carrying amount as on 31st March 2026** | **397** | **1,134** | **1,531** | **39** |
| **Accumulated amortisation** | | | | |
| **Accumulated amortisation as at 1st April 2025** | **383** | **772** | **1,155** | **-** |
| Amortisation charge for the year | 14 | 120 | 134 | - |
| Disposals during the year | | (35) | (35) | - |
| **Accumulated amortisation as at 31st March 2026** | **397** | **857** | **1,254** | **-** |
| **Closing net carrying amount** | **-** | **277** | **277** | **39** |

**Note 4 (a): Intangible assets under development**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Carrying amount of Intangible assets under development | 39 | 145 |
| **Total** | **39** | **145** |

**(a) Ageing of Intangible assets under development:**

| | Amounts in Intangible assets under development for | | | | |
|---|---|---|---|---|---|
| Particulars | Less than 1 Year | 1-2 Year | 2-3 Year | More than 3 Years | Total |
| **Project in Progress** | | | | | |
| As at March 31, 2026 | 34 | - | - | 5 | 39 |
| As at March 31, 2025 | 139 | 1 | 2 | 3 | 145 |
| **Projects temporarily suspended** | | | | | |
| As at March 31, 2026 | - | - | - | - | - |
| As at March 31, 2025 | - | - | - | - | - |

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**(b) Completion schedule for Intangible assets under development whose completion is overdue or has exceeded its cost comparable to its original plan:**

| Particulars | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 Year | 1-2 Year | 2-3 Year | More than 3 Years | Total |
| **As at March 31, 2026** | | | | | |
| **A. Project in Progress** | | | | | |
| (i) Software | **39** | **-** | **-** | **-** | **39** |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **39** | **-** | **-** | **-** | **39** |
| **As at March 31, 2025** | | | | | |
| Project in Progress | | | | | |
| (i) Software | 30 | - | - | - | 30 |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | **30** | **-** | **-** | **-** | **30** |

**Note 5: Financial assets**

**5(a) Trade receivables**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Carried at amortised cost** | | |
| **Undisputed, considered good#** | | |
| Receivables from others | 11,094 | 6,034 |
| Receivables from related parties (refer note 30) | 4,672 | 5,771 |
| **Total receivables** | **15,766** | **11,805** |

# includes trade receivables amounting to INR 460 lakhs as at March 31, 2026 (March 31, 2025: 432 lakhs) considered good in respect of which the Company holds guarantees from the bank.

**Trade receivables ageing**

| | Outstanding for following periods from the due date | | | | | | |
|---|---|---|---|---|---|---|---|
| | Not due | Less than 6 Months | 6 Months-1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| **Undisputed, considered good** | | | | | | | |
| **March 31, 2026** | 14,563 | 1,150 | 52 | 1 | - | - | **15,766** |
| **March 31, 2025** | 10,141 | 1,652 | 4 | 8 | - | - | **11,805** |
| **Undisputed Trade Receivables – which have significant increase in credit risk** | | | | | | | |
| **March 31, 2026** | - | - | - | - | - | - | - |
| **March 31, 2025** | - | - | - | - | - | - | - |
| **Unsecured, undisputed, credit impaired** | | | | | | | |
| **March 31, 2026** | - | - | - | - | - | - | - |
| **March 31, 2025** | - | - | - | - | - | - | - |
| **Disputed Trade Receivables – considered good** | | | | | | | |
| **March 31, 2026** | - | - | - | - | - | - | - |
| **March 31, 2025** | - | - | - | - | - | - | - |
| **Disputed Trade Receivables – which have significant increase in credit risk** | | | | | | | |
| **March 31, 2026** | - | - | - | - | - | - | - |
| **March 31, 2025** | - | - | - | - | - | - | - |
| **Disputed Trade Receivables – credit impaired** | | | | | | | |
| **March 31, 2026** | - | - | - | - | - | - | - |
| **March 31, 2025** | - | - | - | - | - | - | - |

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**5(b) Cash and cash equivalents**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Balances with banks | | |
| - In current accounts | 264 | 307 |
| - In EEFC (Exchange Earners Foreign Currency) accounts | 329 | 822 |
| Deposits with original maturity of less than three months | 5,825 | 1,725 |
| Cheques on hand | 215 | 210 |
| Cash on hand | 0 | 1 |
| **Total cash and cash equivalents** | **6,633** | **3,065** |

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

**5(c) Bank balances other than cash and cash equivalents**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Bank deposits with original maturity more than 3 months but less than 12 months## | 990 | 50,894 |
| Unspent CSR accounts*** | 198 | 203 |
| Unpaid dividend accounts***# | 122 | 54 |
| **Total Bank balances other than cash and cash equivalents** | **1,310** | **51,151** |

***The balances in these accounts are not available for the Company's use.

# Further, there are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of Companies Act, 2013 as at the year end.

## Fixed deposit aggregating to INR 10 Lakhs (March 31, 2025 INR 50 Lakhs) are pledged with government authorities.

Interest accrued on deposit is included in the carrying value of financial assets on these assets are measured at amortised cost.

**5(d) Other financial assets**

| | March 31, 2026 | | March 31, 2025 | |
|---|---|---|---|---|
| | Current | Non - current | Current | Non - current |
| **Unsecured, considered good** | | | | |
| Security deposits | 53 | 110 | 40 | 129 |
| Deposits with banks with originial maturity of period more than 12 months## | 33,801 | 5 | - | 2,358 |
| Interest accrued on bank deposits | 719 | 1 | 1,522 | 39 |
| Recoverable from trust | - | - | 541 | - |
| **Unsecured, considered doubtful*** | | | | |
| Security deposits | 0 | - | 0 | - |
| Less: Loss allowance for doubtful security deposits | (0) | - | (0) | - |
| **Total other financial assets** | **34,573** | **116** | **2,103** | **2,526** |

## Fixed deposit aggregating to INR 56 Lakhs (March 31, 2025 INR 16 Lakhs) are pledged with government authorities.

* Amount is less than 1 lakh.

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 6: Deferred tax assets (net)**
**The balance comprises temporary differences attributable to:**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Deferred tax assets** | | |
| Provision for employee benefits | 489 | 605 |
| Property, plant and equipment and intangible assets | 408 | 375 |
| | **897** | **980** |
| Other items | | |
| Provision for slow moving inventory | 264 | 253 |
| Allowances for doubtful advances | 77 | 91 |
| | **341** | **344** |
| **Total deferred tax assets** | **1,238** | **1,324** |
| **Set-off of deferred tax liabilities pursuant to set-off provisions** | | |
| Other items | - | - |
| **Total deferred tax liabilities** | **-** | **-** |
| **Net deferred tax assets** | **1,238** | **1,324** |

**Movements in deferred tax assets and liabilities**

| | Provision for employee benefits | Property, plant and equipment and intangible assets | Other items | Total |
|---|---|---|---|---|
| **At April 01, 2024** | **528** | **340** | **175** | **1,043** |
| **(Charged)/credited:** | | | | |
| - to profit or loss | 56 | 35 | 169 | 260 |
| - to other comprehensive income | 21 | - | - | 21 |
| **At March 31, 2025** | **605** | **375** | **344** | **1,324** |
| (Charged)/credited: | | | | |
| - to profit or loss | (33) | 33 | (3) | (3) |
| - to other comprehensive income | (83) | - | - | (83) |
| **At March 31, 2026** | **489** | **408** | **341** | **1,238** |

The Company has recognised deferred tax assets of INR 1,238 lakhs as at March 31, 2026 (March 31, 2025 INR 1,324 lakhs) because it is probable that future taxable profit will be available against which the Company can use the benefits there on.

**Note 7: Non Current tax assets (net)**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Advance income tax (net)** | | |
| Opening balance | 4,599 | 4,453 |
| Add: Taxes paid (Net of provisions) | 600 | 146 |
| **Closing balance*#** | **5,199** | **4,599** |

*Includes paid under protest as at March 31, 2026 INR 3,037 lakhs (March 31, 2025: INR 3,037 lakhs).

#Net of provision for tax as at March 31, 2026 of INR 37,040 lakhs (March 31, 2025: INR 38,823 lakhs)

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 8: Other non-current assets**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Unsecured, considered good** | | |
| Capital advances# | 476 | 1,239 |
| Recoverable from government authorities* | 2,054 | 1,969 |
| Prepaid expenses | 14 | 21 |
| **Total** | **2,544** | **3,229** |
| **Unsecured, considered doubtful** | | |
| Special additional duty recoverable | 184 | 184 |
| Export benefits recoverable | 36 | 39 |
| Other recoverable from government authorities | 85 | 137 |
| **Total** | **305** | **360** |
| Less: Allowance for doubtful advances | (305) | (360) |
| **Total other non-current assets** | **2,544** | **3,229** |

* Includes deposit under protest as at March 31, 2026 INR 1,917 lakhs (March 31, 2025 : INR 1,882 lakhs)

# Includes capital advance amounting to INR 68 lakhs as at March 31, 2026 paid to related parties ( March 31, 2025: INR NIL). (Refer note 30).

**Note 9: Inventories**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Raw materials [includes in transit: INR 1708 lakhs [March 31, 2025: INR 1145 lakhs] | 6,363 | 4,554 |
| Work-in-progress | 679 | 725 |
| Finished goods [includes in transit: INR 1,993 lakhs [March 31, 2025: INR 1013 lakhs] | 4,742 | 3,211 |
| Stock-in-trade [includes in transit: INR 1317 lakhs [March 31, 2025: INR 793 lakhs] | 4,000 | 4,078 |
| Stores and spares | 301 | 325 |
| **Total** | **16,085** | **12,893** |
| Less : Provision for slow moving inventory | (1,050) | (1,008) |
| **Total inventories** | **15,035** | **11,885** |

**Note 10: Other current assets**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Unsecured, considered good, unless otherwise stated** | | |
| Recoverable from related parties (refer note 30) | 95 | 3 |
| Advances for supply of goods | 174 | 125 |
| Prepaid expenses | 190 | 185 |
| Recoverable from government authorities | 104 | 131 |
| GST receivable* | 2,427 | 873 |
| Special additional duty recoverable | 24 | 24 |
| Export benefits recoverable | 79 | 100 |
| Others** | 116 | 151 |
| **Total other current assets** | **3,209** | **1,592** |

* Includes deposit under protest as at March 31, 2026 INR 43 lakhs.

** includes advances given to a director as a part of the conditions of service extended by the Company to all its employees at March 31, 2026 NIL (March 31, 2025: INR 8 lakhs).

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 11: Equity share capital and other equity**
**11(a) Equity share capital**
**Authorised share capital**

| | Equity shares | |
|---|---|---|
| | Number of shares | Amount |
| At the beginning of year - As at April 1, 2025 | 1,50,00,000 | 1,500 |
| **At the end of the year - As at March 31, 2026** | **1,50,00,000** | **1,500** |

**Issued share capital**

| | Number of shares | Amount |
|---|---|---|
| Balance at the beginning of year - As at April 1, 2025 | 1,01,44,000 | 1,014 |
| **Balance at the end of the year - As at March 31, 2026** | **1,01,44,000** | **1,014** |

**Subscribed and paid up share capital**

| | Number of shares | Amount |
|---|---|---|
| Balance at the beginning of year - As at April 1, 2025 | 1,01,43,071 | 1,014 |
| **Balance at the end of the year - As at March 31, 2026** | **1,01,43,071** | **1,014** |

**(i) Movements in equity share capital**

| | Number of shares | Equity share capital (par value) |
|---|---|---|
| Balance at the beginning of year - As at April 1, 2025 | 1,01,43,071 | 1,014 |
| **Balance at the end of the year - As at March 31, 2026** | **1,01,43,071** | **1,014** |

**Terms and rights attached to equity shares**

The Company has a single class of equity shares having a par value of Rs. 10 each. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The voting rights on a poll (not on show of hands) are in proportion to an equity shareholder's share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

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

**(ii) Shares of the Company held by holding company & promoters**

| | March 31, 2026 | | March 31, 2025 | |
|---|---|---|---|---|
| | Number of shares | % holding | Number of shares | % holding |
| Honda Motor Co. Ltd., Japan | | | | |
| Number of Shares at the beginning of the year | 67,62,000 | 66.67% | 67,62,000 | 66.67% |
| Changes during the year | - | - | - | - |
| **Number of Shares at the end of the year** | **67,62,000** | **66.67%** | **67,62,000** | **66.67%** |

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

| | March 31, 2026 | | March 31, 2025 | |
|---|---|---|---|---|
| | Number of shares | % holding | Number of shares | % holding |
| Honda Motor Co. Ltd., Japan | 67,62,000 | 66.67% | 67,62,000 | 66.67% |
| Nippon Life India Trustee Ltd, India | 8,98,730 | 8.86% | 8,94,730 | 8.82% |
| Tata Mutual Fund - Tata Small Cap Fund | 5,21,006 | 5.14% | 5,15,978 | 5.09% |

The Company has not issued shares without cash consideration or any bonus shares and buy-back of shares.

**11(b) Other equity**
**Reserves and Surplus**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Securities premium | 396 | 396 |
| General reserve | 12,087 | 12,087 |
| Retained earnings | 66,840 | 72,856 |
| **Total other equity** | **79,323** | **85,339** |

**(i) Securities premium**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Balance at the beginning of year | 396 | 396 |
| **Balance at the end of the year** | **396** | **396** |

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**(ii) General reserve**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Balance at the beginning of year | 12,087 | 12,087 |
| **Balance at the end of the year** | **12,087** | **12,087** |

**(iii) Retained earnings**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Balance at the beginning of year | 72,856 | 67,714 |
| Profit for the year | 6,424 | 7,994 |
| Items of other comprehensive income recognised directly in retained earnings | | |
| - Remeasurements of post-employment benefit obligation, net of tax | 240 | (63) |
| Dividend on equity shares | (12,680) | (2,789) |
| **Balance at the end of the year** | **66,840** | **72,856** |

**Nature and purpose of other reserves**

**Securities premium reserve**

Securities premium reserve represents the amount received in excess of par value of securities (equity shares). The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**General reserve**

The General Reserve is created from time to time on transfer of profits from retained earnings. General reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserves will not be subsequently reclassified to profit and loss.

**Retained earnings**

Retained earnings represent the undistributed profits of the Company.

During the year a dividend of Rs 125 per share, total dividend Rs. 12,680 lakhs (Previous Year Rs 27.50 per share, total dividend 2,789 lakhs) was paid to equity shareholders. The board of directors recommended the final dividend of Rs. 23 per share (Nominal value of Rs. 10/share) for the financial year 2025-26. The dividend is subject to approval of shareholders in the ensuing Annual General Meeting.

**Note 12: Financial liabilities**

**12(a) Trade payables**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (refer note 36) | 1,741 | 1,207 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises * | 9,001 | 6,942 |
| **Total trade payables** | **10,742** | **8,149** |

* Includes amount payable to related parties amounting to INR 4,471 lakhs as at March 31, 2026 ( March 31, 2025: INR 3,371 lakhs).(Refer note 30).

**Trade Payables Ageing**

| | Outstanding for following periods from the due date | | | | | | |
|---|---|---|---|---|---|---|---|
| | Unbilled | Not due | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| **Year ended March 31, 2026** | | | | | | | |
| **Undisputed, Trade Payables** | | | | | | | |
| Micro enterprises and small enterprises (MSME) | 202 | 1,539 | - | - | - | - | 1,741 |
| Others | 2,876 | 6,122 | 3 | - | - | - | 9,001 |
| Disputed dues -MSME | - | - | - | - | - | - | - |
| Disputed dues -Others | - | - | - | - | - | - | - |
| **Total** | **3,078** | **7,661** | **3** | **-** | **-** | **-** | **10,742** |
| **Year ended March 31, 2025** | | | | | | | |
| **Undisputed, Trade Payables** | | | | | | | |
| Micro enterprises and small enterprises (MSME) | 188 | 1,019 | - | - | - | - | 1,207 |
| Others | 2,698 | 4,244 | - | - | - | - | 6,942 |
| Disputed dues -MSME | - | - | - | - | - | - | - |
| Disputed dues -Others | - | - | - | - | - | - | - |
| **Total** | **2,886** | **5,263** | **-** | **-** | **-** | **-** | **8,149** |

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**12(b) Other financial liabilities**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Current** | | |
| Security deposits from dealers | 230 | 230 |
| Interest accrued and due on security deposits | 18 | 14 |
| Unpaid dividends | 122 | 54 |
| Employee benefits payable | 913 | 1,051 |
| Capital creditors | - | |
| Total outstanding dues of micro enterprises and small enterprises | 1,337 | 217 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | 1,539 | 311 |
| Other payables | 318 | 224 |
| **Total other current financial liabilities** | **4,477** | **2,101** |

**Note 13: Contract liabilities**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Advance from customers | 1,333 | 1,632 |
| Deferred service revenue | 371 | 316 |
| **Total Contract liabilities** | **1,704** | **1,948** |

**(i) Significant changes in contract liabilities:**

Contract liabilities include advances from customers and deferred revenue for which the Company is obliged to transfer goods or services to the customers. The Company estimate to recognise the revenue against contract liabilities in the next year.

**(ii) Revenue recognised that was included in the contract liabilities balance.**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Revenue recognised | 1,948 | 1,434 |
| | **1,948** | **1,434** |

**Note 14: Provisions**

| | March 31, 2026 | | March 31, 2025 | |
|---|---|---|---|---|
| | Current | Non - current | Current | Non - current |
| **Provision for employee benefits (refer note 25)** | | | | |
| Compensated absences | 1,783 | - | 1,643 | - |
| Gratuity | 159 | - | 764 | - |
| **Other provisions** | | | | |
| Warranties (refer note (i) below) | 104 | 46 | 127 | 40 |
| **Total** | **2,046** | **46** | **2,534** | **40** |

**(i) Information about warranty provisions and significant estimates**

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

**(ii) Movements in other provisions**

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

| | Warranties |
|---|---|
| **As at April 01, 2024** | 374 |
| Provision made during the year | - |
| Provision utilised/reversed during the year | (207) |
| **As at March 31, 2025** | **167** |
| Provision made during the year | 147 |
| Provision utilised/reversed during the year | (164) |
| **As at March 31, 2026** | **150** |

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 15: Other current liabilities**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Statutory tax payables | 895 | 1,081 |
| Contribution towards corporate social responsibility (refer note 23(b)) | 198 | 449 |
| Sales incentive payable | 2,638 | 2,085 |
| **Total other current liabilities** | **3,731** | **3,615** |

**Note 16: Revenue from Operations**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Revenue from Contracts with Customers** | | |
| Sale of products | | |
| Finished goods | 70,396 | 65,344 |
| Stock in trade | 9,993 | 9,002 |
| Spares and components | 4,424 | 3,509 |
| **Total Sale of Products** | 84,813 | 77,855 |
| Sale of services | 774 | 748 |
| **Total revenue from contracts with customers** | **85,587** | **78,603** |
| Other operating revenue | | |
| Scrap sales | 208 | 158 |
| Support service fees | 254 | 234 |
| Export incentive income | 444 | 387 |
| Others | 52 | 41 |
| **Total other operating revenue** | 958 | 820 |
| **Total revenue from operations** | **86,545** | **79,423** |

**Reconciliation of revenue recognised with contract price:**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Contract price | 91,631 | 82,880 |
| Sales incentive | (5,673) | (3,961) |
| Deferred service revenue | (371) | (316) |
| **Total revenue from contracts with customers** | **85,587** | **78,603** |

Revenue related to the service coupons is deferred and recognised when the coupons are redeemed or expired whichever is earlier. Management estimates that the entire deferred revenue would be recognised as revenue within next 12 months.

There are no reconciling items between the revenue recognised and contracted price. Trade receivables are non interest bearing.

Revenue from contract with customers is disaggregated by geographical region and presented in Note 29.

**Contract balances**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Trade receivables | 15,766 | 11,805 |
| Contract liabilities | (1,704) | (1,948) |

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 17: Other income**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Interest income under the effective interest method from financial assets at amortised cost | | |
| -Interest income on deposits with banks | 3,143 | 3,746 |
| Net gain on sale of property, plant and equipments and intangible assets | - | 82 |
| Foreign exchange fluctuation (net) | 426 | 263 |
| Provisions / liabilities written back to the extent no longer required | 92 | 57 |
| Miscellaneous income | 75 | 80 |
| **Total other income** | **3,736** | **4,228** |

**Note 18: Cost of materials consumed**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Raw material at the beginning of the year | 4,554 | 4,098 |
| Add : Purchases during the year | 44,589 | 37,148 |
| Less : Raw material at the end of the year | 6,363 | 4,554 |
| **Total cost of materials consumed** | **42,780** | **36,692** |

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

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Finished goods at the end of the year | 4,742 | 3,211 |
| Finished goods at the beginning of the year | 3,211 | 3,115 |
| **Changes in inventory of finished goods** | **(1,531)** | **(96)** |
| Stock-in-trade at the end of the year | 4,000 | 4,078 |
| Stock-in-trade at the beginning of the year | 4,078 | 6,334 |
| **Changes in inventory of Stock-in-trade** | **78** | **2,256** |
| Work-in-progress at the end of the year | 679 | 725 |
| Work-in-progress at the beginning of the year | 725 | 706 |
| **Changes in inventory of Work-in-progress** | **46** | **(19)** |
| **Total changes in inventories of finished goods,work-in-progress and stock-in-trade** | **(1,407)** | **2,141** |

**Note 20: Employee benefits expense**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Salaries, wages and bonus | 11,706 | 11,107 |
| Contribution to provident fund and other funds (refer note 25) | 721 | 710 |
| Gratuity (refer note 25) | 267 | 254 |
| Compensated absences (refer note 25) | 200 | 377 |
| Staff welfare expenses | 1,083 | 918 |
| **Total employee benefits expense** | **13,977** | **13,366** |

**Note 21: Finance costs**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Interest on security deposits from dealers | 14 | 14 |
| Interest on lease liabilities (refer note 3(a)) | 2 | 5 |
| Interest on income tax | - | 27 |
| **Total finance costs** | **16** | **46** |

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 22: Depreciation and amortisation expense**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Depreciation of property, plant and equipment (refer note 3) | 2,174 | 2,024 |
| Depreciation of right-of-use assets (refer note 3(a)) | 16 | 30 |
| Amortisation of intangible assets (refer note 4) | 134 | 126 |
| **Total depreciation and amortisation expense** | **2,324** | **2,180** |

**Note 23: Other expenses**

| | | March 31, 2026 | | March 31, 2025 |
|---|---|---|---|---|
| Consumption of stores and spare parts | | 460 | | 387 |
| Power and fuel | | 768 | | 787 |
| Rent (refer note 32(b) and 3(a)) | | 375 | | 361 |
| Repairs | | | | |
| - Buildings | | 75 | | 73 |
| - Plant & Machinery | | 199 | | 200 |
| - Others | | 157 | | 147 |
| Insurance | | 135 | | 126 |
| Rates and taxes | | 81 | | 33 |
| Royalty | | 3,365 | | 3,178 |
| Technical guidance fees | | 178 | | 149 |
| Freight, clearing and forwarding | | 2,334 | | 2,019 |
| Commission on sales | | 1,380 | | 1,221 |
| Advertisement and sales promotion | | 758 | | 520 |
| Service expenses | | 300 | | 263 |
| Net loss on sale of property, plant and equipments | | 1 | | - |
| Travelling expenses | | 691 | | 633 |
| Legal and professional fees (refer note 23(a)) | | 1,189 | | 1,004 |
| Vehicle running expenses | | 160 | | 151 |
| Bad debts written off | | 0 | | 5 |
| Provision for slow moving inventory (refer note 9) | | 42 | | 529 |
| Allowance for doubtful advances | | - | | 137 |
| Advances written off | 3 | | 4 | |
| Less: written off against provision | - | 3 | (1) | 3 |
| Warranty expenses | | 147 | | - |
| Security expenses | | 124 | | 119 |
| Bank charges | | 9 | | 6 |
| Contribution towards corporate social responsibility (Refer note 23(b)) | | 251 | | 246 |
| Miscellaneous expenses | | 694 | | 593 |
| **Total other expenses** | | **13,876** | | **12,890** |

**Note 23(a): Details of payments to auditors**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Payments to auditors#** | | |
| As auditor: | | |
| Audit fee | 49 | 46 |
| Tax audit fee | 4 | 3 |
| Limited reviews fee | 12 | 9 |
| Re-imbursement of expenses | 6 | 6 |
| In the capacity as auditors: | | |
| Other services - certificates | 2 | - |
| **Total payments to auditors** | **73** | **64** |

# excluding Goods and Services Tax

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**Note 23(b): Corporate social responsibility expenditure**

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are environment sustainability and miscellaneous (education, health care sector) . A CSR committee has been formed by the Company as per the Act.

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Amount required to be spent by the company during the year as per Section 135 of the Act | 251 | 246 |
| Amount spent during the year on | | |
| (i) Construction/acquisition of an asset | - | - |
| (ii) On purposes other than (i) above | 502 | 146 |
| Shortfall at the end of the year | - | 246 |
| Total Previous year shortfall | 198 | 203 |
| Reason for shortfall | Pertains to ongoing projects | Pertains to ongoing projects |
| Related party transactions | - | - |

Details of unspent obligations

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Balance at the beginning of the year with company bank account | 246 | 210 |
| Balance at the beginning of the year in separate unspent CSR account | 203 | 139 |
| Amount transferred to unspent CSR account during the year* | 246 | 210 |
| Amount required to be spent by the company during the year as per Section 135 of the Act** | 251 | 246 |
| Amount spent during the year from company bank account | 251 | - |
| Amount spent during the year from separate unspent CSR account | 251 | 146 |
| Balance at the end of the year with company bank account* | - | 246 |
| Balance at the end of the year in separate unspent CSR account | 198 | 203 |

* The amount has been transferred to separate unspent CSR account with ICICI Bank in previous year in April 2025.

** Amount has been approved by board of directors and CSR committee.

**Note 24: Income tax expense**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **(a) Income tax expense** | | |
| Current tax | | |
| Current tax on profits for the year | 2,142 | 3,061 |
| Adjustments for current tax of prior periods | - | (25) |
| **Total current tax expense** | **2,142** | **3,036** |
| Deferred tax | | |
| Decrease/ (Increase) in deferred tax assets | 3 | (260) |
| **Total deferred tax (credit)/expense** | **3** | **(260)** |
| **Income tax expense** | **2,145** | **2,776** |

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

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Profit before income tax expense | 8,569 | 10,770 |
| **Tax at the India tax rate of 25.168% (2024-2025: 25.168%)** | **2,157** | **2,711** |
| Tax effect of amounts which are not deductible / (taxable) in calculating taxable income: | | |
| Amortisation of leasehold land | 2 | 2 |
| Corporate social responsibility expenditure | 63 | 62 |
| Other items | (77) | 1 |
| **Income tax expense** | **2,145** | **2,776** |

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**(c) Income tax on 0ther comprehensive income**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Items that will not be reclassified to profit or loss | | |
| Remeasurements of post-employment benefit obligations | 323 | (84) |
| **Tax at the India tax rate of 25.168% (2024-2025: 25.168%)** | **(83)** | **21** |

**Note 25 : Employee benefits**

**(i) Compensated absences**

The Compensated absences cover the Company's liability for accumlated earned leave and sick leave.

The entire amount of the provision of INR 1,783 lakhs (March 31, 2025: INR 1,643 lakhs) is presented as current since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to avail the full amount of accrued leave or require payment for such leaves within the next 12 months.

**(ii) Defined contribution plans**

**Employee State Insurance**

The expense recognised during the period towards defined contribution plan is INR 12 lakhs (March 31, 2025: 12 lakhs).

Employer Contribution to National Pension Scheme

The expense recognised during the period towards contribution to national pension scheme is INR 157 lakhs (March 31, 2025: 164 lakhs ).

**(iii) Post-employment obligations**

**(a) Gratuity**

**Balance sheet amounts - Gratuity**

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

| | Present value of obligation | Fair value of plan assets | Net Amount |
|---|---|---|---|
| **April 1, 2024** | 2,890 | (2,313) | 577 |
| Current service cost | 212 | - | 212 |
| Interest expense/(income) | 208 | (166) | 42 |
| **Total amount recognised in profit or loss** | **420** | **(166)** | **254** |
| Remeasurements | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | (10) | (10) |
| (Gain)/loss from change in financial assumptions | - | - | - |
| Experience (gains)/losses (experience adjustment) | 94 | - | 94 |
| Total amount recognised in other comprehensive income | 94 | (10) | 84 |
| Employer contributions | - | (151) | (151) |
| Benefit payments | (256) | 256 | - |
| **March 31, 2025** | **3,148** | **(2,384)** | **764** |
| **April 1, 2025** | **3,148** | **(2,384)** | **764** |
| Current service cost | 214 | - | 214 |
| Past Service Cost (exceptional items) | 702 | | 702 |
| Interest expense/(income) | 218 | (165) | 53 |
| **Total amount recognised in profit or loss** | **1,134** | **(165)** | **969** |
| Remeasurements | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | (33) | (33) |
| (Gain)/loss from change in financial assumptions | - | - | - |
| Experience (gains)/losses (experience adjustment) | (290) | - | (290) |
| **Total amount recognised in other comprehensive income** | **(290)** | **(33)** | **(323)** |
| Employer contributions | - | (1,251) | (1,251) |
| Benefit payments | (142) | 142 | - |
| **March 31, 2026** | **3,850** | **(3,691)** | **159** |

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**(b) Provident fund**

The expenses recognised during the period towards provident fund is INR 552 lakhs (March 31, 2025: INR 534 lakhs) which also includes defined contribution to family pension scheme INR 132 lakhs (March 31, 2025: 134 lakhs).

**Balance sheet amounts - Provident fund**

| | Present value of obligation | Fair value of plan assets | Net Amount |
|---|---|---|---|
| **April 1, 2024** | 9,648 | (10,375) | (727) |
| Current service cost | 392 | - | 392 |
| Interest expense/(income) | 813 | - | 813 |
| **Total amount recognised in profit or loss** | 1,205 | - | **1,205** |
| Remeasurements | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | (832) | (832) |
| (Gain)/loss from change in financial assumptions | 7 | - | 7 |
| Experience (gains)/losses (experience adjustment) | - | - | - |
| **Total amount recognised in other comprehensive income** | 7 | (832) | **(825)** |
| Employer contributions | - | (392) | (392) |
| Contributions by plan participants/employees | 893 | (893) | - |
| Benefits paid | (1,445) | 1,445 | - |
| Settlements/transfer in | 8 | (8) | - |
| **March 31, 2025** | **10,316** | **(11,055)** | **(739)** |
| **April 1, 2025** | **10,316** | **(11,055)** | **(739)** |
| Current service cost | 414 | - | 414 |
| Interest expense/(income) | 872 | - | 872 |
| **Total amount recognised in profit or loss** | **1,286** | **-** | **1,286** |
| Remeasurements | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | (855) | (855) |
| (Gain)/loss from change in financial assumptions | 16 | - | 16 |
| Experience (gains)/losses (experience adjustment) | - | - | - |
| **Total amount recognised in other comprehensive income** | **16** | **(855)** | **(839)** |
| Employer contributions | - | (414) | (414) |
| Contributions by plan participants/employees | 913 | (913) | - |
| Benefit paid | (1,246) | 1,246 | - |
| Settlements/transfer in | 88 | (88) | - |
| **March 31, 2026*** | **11,373** | **(12,079)** | **(706)** |

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

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

| | Gratuity | | Provident fund | |
|---|---|---|---|---|
| | March 31, 2026 | March 31, 2025 | March 31, 2026 | March 31, 2025 |
| Present value of funded obligations | 3,764 | 3,148 | 11,373 | 10,316 |
| Fair value of plan assets | (3,691) | (2,384) | (12,079) | (11,055) |
| Deficit/(surplus) of funded plan | **73** | **764** | **(706)** | **(739)** |
| Unfunded plans | 86 | - | - | - |
| Deficit/(surplus) of gratuity plan and provident fund* | **159** | **764** | **(706)** | **(739)** |

*Excess of planned assets over defined benfit obligations has not been recognised in the books. The Company is under an obligation to make good the shortfall, if any.

*(All amounts in INR lakhs, unless otherwise stated)*

**(iv) Post employment benefits**

Significant estimates: actuarial assumptions and sensitivity
The significant actuarial assumptions were as follows:

| | Gratuity | | Provident fund | |
|---|---|---|---|---|
| | **March 31, 2026** | **March 31, 2025** | **March 31, 2026** | **March 31, 2025** |
| Discount rate per annum | 7.70% | 6.93% | 7.70% | 6.93% |
| Salary growth rate per annum | 8.00% | 8.00% | - | - |
| Expected statutory interest rate per annum | - | - | 8.25% | 8.25% |
| Expected short fall in interest earnings on the fund | - | - | 0.05% | 0.05% |
| Retirement age | 58 years | 58 years | 58 years | 58 years |
| Mortality rate | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) |
| Withdrawal rate | | | | |
| Ages: | | | | |
| Upto 30 years | 3% | 3% | 3% | 3% |
| From 31 to 44 years | 2% | 2% | 2% | 2% |
| Above 44 years | 1% | 1% | 1% | 1% |

**(v) Sensitivity analysis**

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

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

| | **March 31, 2026** | **March 31, 2025** |
|---|---|---|
| i) Defined benefit obligation | 3,850 | 3,148 |
| ii) Decrease in defined benefit obligation at 0.5% increase in discount rate | (178) | (157) |
| iii) Increase in defined benefit obligation at 0.5% decrease in discount rate | 192 | 171 |

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

| | **March 31, 2026** | **March 31, 2025** |
|---|---|---|
| i) Defined benefit obligation | 3,850 | 3,148 |
| ii) Increase in defined benefit obligation at 0.5% increase in salary growth rate | 191 | 168 |
| iii) Decrease in defined benefit obligation at 0.5% decrease in salary growth rate | (178) | (156) |

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

| | **March 31, 2026** | **March 31, 2025** |
|---|---|---|
| i) Defined benefit obligation | 11,373 | 10,316 |
| ii) Impact on defined benefit obligation at 0.5% increase in discount rate | (3) | (3) |
| iii) Impact on defined benefit obligation at 0.5% decrease in discount rate | 4 | 3 |

(d) Changes in defined benefit obligation of Gratuity plan and Provident fund due to changes in mortality and withdrawal rate, are negligible.

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumption the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognized in the balance sheet.
The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period. Brackets represents gain.

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

**Gratuity**

| | March 31, 2026 | | March 31, 2025 | |
|---|---|---|---|---|
| | **Unquoted** | **in %** | **Unquoted** | **in %** |
| **Investment funds** | | | | |
| Funds managed by insurer | 3,691 | 100% | 2,384 | 100% |
| **Total** | **3,691** | **100%** | **2,384** | **100%** |

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**Provident fund**

| | March 31, 2026 | | March 31, 2025 | |
|---|---|---|---|---|
| | Unquoted | in % | Unquoted | in % |
| **Investment funds** | | | | |
| Government securities - unquoted | 6,040 | 50% | 5,527 | 50% |
| Public sector unit bonds - unquoted | 5,436 | 45% | 4,975 | 45% |
| Mutual funds - quoted | 603 | 5% | 553 | 5% |
| **Total** | **12,079** | **100%** | **11,055** | **100%** |

**(vii) Risk exposure**

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

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

**(viii) Defined benefit liability and employer contributions**

Expected provident fund contribution for the year ended March 31, 2027 is INR 424 lakhs.

Expected contribution to post-employment benefit plan i.e. gratutiy for the year ended March 31, 2027 is INR 256 lakhs.

The weighted average duration of the defined benefit obligation of Gratuity plan as at March 31, 2026 is 15.08 years (March 31, 2025: 15.62 years). The expected maturity analysis of gratuity is as follows:

| | Less than a year | Between 1-2 years | Between 2-5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| **March 31, 2026** | | | | | |
| Defined benefit obligation | 454 | 130 | 802 | 2,464 | 3,850 |
| **Total** | **454** | **130** | **802** | **2,464** | **3,850** |
| **March 31, 2025** | | | | | |
| Defined benefit obligation | 409 | 115 | 478 | 2,146 | 3,148 |
| **Total** | **409** | **115** | **478** | **2,146** | **3,148** |

The expected maturity analysis of provident fund is as follows:

| | Less than a year | Between 1-5 years | Between 5-10 years | Over 10 years | Total |
|---|---|---|---|---|---|
| **March 31, 2026** | | | | | |
| Defined benefit obligation | 2,045 | 1,958 | 3,408 | 3,962 | 11,373 |
| **Total** | **2,045** | **1,958** | **3,408** | **3,962** | **11,373** |
| **March 31, 2025** | | | | | |
| Defined benefit obligation | 2,159 | 1,383 | 4,072 | 2,702 | 10,316 |
| **Total** | **2,159** | **1,383** | **4,072** | **2,702** | **10,316** |

*(All amounts in INR lakhs, unless otherwise stated)*

**Note 26: Fair value measurements**

**Financial instruments by category**

| | Notes | March 31, 2026 | March 31, 2025 |
|---|---|---|---|
| **Financial assets as amortised cost** | | | |
| Trade receivables | 5(a) | 15,766 | 11,805 |
| Cash and cash equivalents | 5(b) | 6,633 | 3,065 |
| Other bank balances | 5(c) | 1,310 | 51,151 |
| Security Deposits | 5(d) | 163 | 169 |
| Deposits with banks with originial maturity of period more than 12 months | 5(d) | 33,806 | 2,358 |
| Interest accrued on bank deposits | 5(d) | 720 | 1,561 |
| Recoverable from trust | 5(d) | - | 541 |
| **Total financial assets** | | **58,398** | **70,650** |
| **Financial liabilities at amortised cost** | | | |
| Trade payables | 12(a) | 10,742 | 8,149 |
| Lease Liabilities | 3(a) | 99 | 10 |
| Security deposits from dealers | 12(b) | 230 | 230 |
| Interest accrued and due on security deposits | 12(b) | 18 | 14 |
| Unpaid dividends | 12(b) | 122 | 54 |
| Employee benefits payable | 12(b) | 913 | 1,051 |
| Other payables | 12(b) | 318 | 224 |
| Capital creditors | 12(b) | 2,876 | 528 |
| **Total financial liabilities** | | **15,318** | **10,260** |

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

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

There are no financial assets and financial liabilities in a category measured at fair value-recurring fair value measurements.
The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, trade payables, employee benefits payables, lease liabilities, interest accrued, unpaid dividends, capital creditors and security deposits received are considered to be the same as their fair values, due to their short-term nature.

The fair values for long - term deposits with banks with remaining maturity period more than 12 months were calculated based on cash flows discounted using a current interest rate.The carrying amount is considered to approximate the same to fair value as at the reporting date based on evidence obtained from banks to support the valuation.

There is no transfer of financial assets and liabilities between the levels 1,2,3 during the year.

**Note 27: Financial risk management**

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

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

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

**(A) Credit risk**

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

**(i) Credit risk management**

**Trade receivables and other financial assets**

A default is when the counterparty fails to make contractual payments within 30 days of when they fall due in case of trade receivables and for other financial assets as prescribed by relevant terms of the contract. This definition of default is determined considering the business environment in which the Company operates and other macro-economic factors. Assets are written-off when there is no reasonable expectation of recovery, such as a trade receivables declaring bankruptcy or failing to engage in a repayment plan with the Company.

Where financial assets have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

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

**Cash and cash equivalents and deposits with banks**

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

**(ii) Provision for expected credit losses**

The Company provides for expected credit loss based on the following:

**(a) Financial assets for which loss allowance is measured using 12 month expected credit losses**

The 12-month expected credit loss is a portion of the lifetime expected credit losses which results from default events that are possible within 12 months after the reporting date. At initial recognition, financial assets are considered as having negligible credit risk. The Company monitors whether there is any significant increase in credit risk since initial recognition.

**(b) Financial assets for which loss allowance is measured using life time expected credit losses**

Lifetime expected credit loss are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. Management believes that the unimpaired amounts that are 6 months past due date are still collectible in full. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information. Considering the above factors the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

Impairment of financial assets

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

**(B) Liquidity risk**

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

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

Maturities of financial liabilities

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

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

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

| Contractual maturities of financial liabilities | Notes | Less than one year | More than one year | Total | Carrying Amount |
|---|---|---|---|---|---|
| **March 31, 2026** | | | | | |
| Trade payables | 12(a) | 10,742 | - | 10,742 | 10,742 |
| Lease Liabilities | 3(a) | 53 | 46 | 99 | 99 |
| Security deposits | 12(b) | 230 | - | 230 | 230 |
| Interest accrued and due on security deposits | 12(b) | 18 | - | 18 | 18 |
| Unpaid dividends | 12(b) | 122 | - | 122 | 122 |
| Employee benefits payables | 12(b) | 913 | - | 913 | 913 |
| Capital creditors | 12(b) | 2,876 | - | 2,876 | 2,876 |
| Other payables | 12(b) | 318 | - | 318 | 318 |
| **Total** | | **15,272** | **46** | **15,318** | **15,318** |
| **March 31, 2025** | | | | | |
| Trade payables | 12(a) | 8,149 | - | 8,149 | 8,149 |
| Lease Liabilities | 3(a) | 8 | 2 | 10 | 10 |
| Security deposits from dealers | 12(b) | 230 | - | 230 | 230 |
| Interest accrued and due on security deposits | 12(b) | 14 | - | 14 | 14 |
| Unpaid dividends | 12(b) | 54 | - | 54 | 54 |
| Employee benefits payables | 12(b) | 1,051 | - | 1,051 | 1,051 |
| Capital creditors | 12(b) | 528 | - | 528 | 528 |
| Other payables | 12(b) | 224 | - | 224 | 224 |
| **Total** | | **10,258** | **2** | **10,260** | **10,260** |

**(C) Market risk**

**(i) Foreign currency risk**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, JPY,THB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.
The Company does not have any debt other than leases in its financial statements. Therefore there is no exposure to interest risk.

**(a) Foreign currency risk exposure**

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

| | March 31, 2026 | | |
|---|---|---|---|
| | USD | JPY | THB |
| **Financial assets** | | | |
| Trade receivables | 4,656 | - | - |
| Recoverable from related parties | 95 | - | - |
| Bank balance in EEFC accounts | 331 | - | - |
| | **5,082** | **-** | **-** |
| **Financial liabilities** | | | |
| Trade payables | 2,315 | 250 | 425 |
| Other paybles | - | 265 | - |
| **Exposure to foreign currency risk (liabilities)** | **2,315** | **515** | **425** |

| | March 31, 2025 | | |
|---|---|---|---|
| | USD | JPY | THB |
| **Financial assets** | | | |
| Trade receivables | 5,538 | - | - |
| Recoverable from related parties | 3 | - | - |
| Bank balance in EEFC accounts | 822 | - | - |
| **Exposure to foreign currency risk (assets)** | **6,363** | **-** | **-** |
| **Financial liabilities** | | | |
| Trade payables | 1,469 | 82 | 344 |
| Other paybles | - | 224 | - |
| Capital Creditors | 16 | - | - |
| **Exposure to foreign currency risk (liabilities)** | **1,485** | **306** | **344** |

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**(b) Sensitivity**

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

| | Increase/(Decrease) in profit before tax | | Increase/(Decrease) in Equity | |
|---|---|---|---|---|
| | March 31, 2026 | March 31, 2025 | March 31, 2026 | March 31, 2025 |
| **USD sensitivity with INR** | | | | |
| Increase by 5% (March 31, 2025: 5%)* | 138.4 | 243.9 | 103.5 | 182.5 |
| Decrease by 5% (March 31, 2025: 5%)* | (138.4) | (243.9) | (103.5) | (182.5) |
| **JPY sensitivity with INR** | | | | |
| Increase by 5% (March 31, 2025: 5%)* | (25.8) | (15.3) | (19.3) | (11.5) |
| Decrease by 5% (March 31, 2025: 5%)* | 25.8 | 15.3 | 19.3 | 11.5 |
| **THB sensitivity with INR** | | | | |
| Increase by 5% (March 31, 2025: 5%)* | (21.3) | (17.2) | (15.9) | (12.9) |
| Decrease by 5% (March 31, 2025: 5%)* | 21.3 | 17.2 | 15.9 | 12.9 |

**Note 28: Capital management**

**(a) Risk management**

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders.

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

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

**(b) Dividends**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **(i) Equity shares** | | |
| Final dividend for the year ended March 31, 2025 of INR 21.50 (March 31, 2024: INR 17.50) per fully paid share. | 2,181 | 1,775 |
| Interim dividend during the year ended March 31, 2026 of INR 103.50 (March 31, 2025: INR 10) per fully paid share. | 10,499 | 1,014 |
| **(ii) Dividends not recognised at the end of the reporting period** | | |
| In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR 23 (March 31, 2025: INR 21.50) per fully paid up equity share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting. | 2,333 | 2,181 |

**Note 29: Operating Segment**

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

**Geographical information**

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

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Revenue from Contracts with Customers** | | |
| India | 66,562 | 62,257 |
| Outside India | 19,025 | 16,346 |
| | **85,587** | **78,603** |
| **Other operating revenue** | | |
| India | 958 | 820 |
| Outside India | - | - |
| | 958 | 820 |
| **Total** | **86,545** | **79,423** |

During the year ended March 31, 2026 and March 31, 2025 there is no customer with whom revenue is 10% or more of an entity's revenue.

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

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| India | 25,418 | 21,825 |
| Outside India | - | - |
| **Total** | **25,418** | **21,825** |

**Note 30: Related party transactions**

**(a) Parent entity**

The Company is controlled by the following entity:

| Name | Type | Place of incorporation | Ownership interest | |
|---|---|---|---|---|
| | | | March 31, 2026 | March 31, 2025 |
| Honda Motor Co. Ltd., Japan | Holding and ultimate holding Company | Japan | **66.67%** | 66.67% |

**(b) Other related parties**

| Type | Name | Place of incorporation |
|---|---|---|
| Fellow subsidiaries with whom transactions have been undertaken | Honda Motor de Argentina S.A. | Argentina |
| | Honda Australia Motorcycle and Power Equipment Pty Ltd. | Australia |
| | Honda Trading Brasil Ltda. | Brazil |
| | Honda Canada Inc. | Canada |
| | Honda Motor De Chile S.A. | Chile |
| | Honda Trading (China) Co. Ltd. | China |
| | Shanghai Honda Trading Co. Limited | China |
| | Honda Trading (HTE) GmbH | Germany |
| | Honda Trading (South China) Co. Limited | Hong Kong |
| | Goshi India Auto Parts Private Limited | India |
| | Honda Cars India Limited | India |
| | Honda Kaihatsu India Hospitality Pvt. Ltd. | India |
| | Honda Motorcycle and Scooter India Private Limited | India |
| | Honda R & D (India) Private Limited | India |
| | Honda Trading Corporation India Private Limited | India |
| | Rajasthan Prime Steel Processing Center Private Limited | India |
| | Honda Power Pack Energy India Private Limited | India |
| | PT Honda Power Products Indonesia | Indonesia |
| | Honda Kaihatsu Co. Ltd. | Japan |
| | Honda R & D Co. Limited | Japan |
| | Honda Trading Corporation | Japan |
| | Honda De Mexico S.A. DE C.V. | Mexico |
| | Honda Del Peru S.A. | Peru |
| | Honda Selva Del Peru S.A. | Peru |

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

| | | |
|---|---|---|
| | Honda Philippines Inc. | Philippines |
| | Honda Trading Philippines Ecozone Corporation | Philippines |
| | Honda Motor Southern Africa (PTY) Ltd | South Africa |
| | Honda Taiwan Co Ltd | Taiwan |
| | Asian Honda Motor Co. Limited | Thailand |
| | Honda Trading Asia Co. Limited | Thailand |
| | Thai Honda Co. Ltd. | Thailand |
| | Honda Gulf FZE | UAE |
| | Honda Motor Europe Limited | United Kingdom |
| | American Honda Motor Co. Inc. | USA |
| | Honda Vietnam Power Products Co. Ltd. | Vietnam |
| **Common Partner/Director** | DMD Advocates | India |
| **Key management personnel** | Mr. Shigeki Iwama, CMD and President & CEO | |
| | Mr. Akihiro Sakurai, Senior Vice President, Whole time director | |
| | Mr. Vinay Mittal, Senior Vice President, Whole time director and CFO | |
| | Mr. Ravi Prakash Mehrotra, Director | |
| | Ms. Alka M. Bharucha, Director (Resigned w.e.f 14th September 2024) | |
| | Mr. Nitin Savara, Director | |
| | Ms. Anuradha Dutt, Director | |
| | Mr. Balachandran Dharman, Director | |
| | Mr. Yasuhiro Takabatake,, Director | |
| | Ms. Kaori Osakada, Director (Resigned w.e.f 10th February 2025) | |

**(c) Key management personnel (KMP) compensation**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Short-term employee benefits*** | | |
| Mr. Vinay Mittal | 278 | 240 |
| Mr. Shigeki Iwama | 275 | 245 |
| Mr. Akihiro Sakurai | 238 | 176 |
| **Sitting fees** | | |
| Ms. Alka. M. Bharucha | - | 5 |
| Mr. Ravi Prakash Mehrotra | 9 | 9 |
| Ms. Anuradha Dutt | 4 | 5 |
| Mr. Nitin Savara | 7 | 7 |
| Mr. Balachandran Dharman | 5 | 2 |
| Other recoverable | - | 8 |

*Excludes contribution to the gratuity fund and provision for leave encashment amounting to INR 44 lakhs (March 2025 Rs. 12 Lakhs) determined on an actuarial basis.

**(d) Transactions with related parties**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Holding Company** | | |
| **Purchase of goods** | | |
| Stock-in-trade | 1,700 | 1,389 |
| Components, raw material, consumables and spares | 1,771 | 1,279 |
| Purchase of capital goods | 74 | 16 |
| **Other Expenses** | | |
| Technical guidance fee | 178 | 149 |

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

| | | |
|---|---|---|
| Royalty | 3,365 | 3,178 |
| Export commission on sales | 1,348 | 1,212 |
| **Sale of products** | | |
| Finished goods | 1,662 | 833 |
| Spares and components | 65 | 2 |
| Dividend paid | 8,453 | 1,860 |
| **Reimbursement of expenses** | | |
| Paid | 893 | 839 |
| Received | 258 | 104 |
| **Fellow subsidiaries with whom transaction exceeds 10% of the total class of transaction** | | |
| **Purchase of stock-in-trade** | | |
| Asian Honda Motor Co. Limited, Thailand | 5,450 | 3,496 |
| Others | 10 | 3 |
| **Purchase of components, raw material, consumables and spares** | | |
| Asian Honda Motor Co. Limited, Thailand | 900 | 479 |
| Honda Trading Asia Co. Ltd., Thailand | 1,212 | 695 |
| Honda Trading Corporation, Japan | 615 | 518 |
| Rajasthan Prime Steel Processing Center Private Limited, India | 589 | 517 |
| Shanghai Honda Trading Co. Ltd., China | 10 | 6 |
| Honda Trading Corporation India Private Limited, India | 70 | 54 |
| Honda Trading (China) Co. Ltd., China | 448 | 298 |
| Others | 212 | 112 |
| **Purchase of capital goods** | | |
| Honda Cars India Limited, India | 5 | 1 |
| Honda Motorcycle and Scooter India Private Limited, India | 330 | - |
| **Sale of finished goods** | | |
| American Honda Motor Co. Inc, USA | 5,258 | 6,484 |
| Honda Australia Motorcycle and Power Equipment Pty Ltd, Australia | 2,480 | 1,654 |
| Honda Canada Inc., Canada | 5,239 | 3,298 |
| Honda Motor Europe Limited, United Kingdom | 1,125 | 1,465 |
| Others | 1,566 | 1,471 |
| **Sale of spares and components** | | |
| Honda Cars India Limited, India | 348 | 596 |
| Honda Motorcycle and Scooter India Private Limited, India | 3,942 | 2,767 |
| Others | 4 | 1 |
| **Fee for infrastructure support services** | | |
| Honda R&D (India) Pvt. Ltd., India | 16 | 16 |
| **Professional Services** | | |
| DMD Advocates | 20 | 23 |
| **Support service fees** | | |
| Honda Cars India Limited, India | 254 | 234 |
| **Reimbursement of expenses paid** | | |
| American Honda Motor Co. Inc, USA | 59 | 123 |
| Honda Canada Inc., Canada | 38 | 32 |

*(All amounts in INR lakhs, unless otherwise stated)*

| | | |
|---|---|---|
| Honda Kaihatsu Co. Ltd, Japan | - | 0 |
| Asian Honda Motor Co. Limited, Thailand | 332 | 222 |
| Others | 75 | 51 |
| **Reimbursement of expenses received** | | |
| Honda R&D (India) Pvt. Ltd., India | 9 | 11 |
| Thai Honda Co. Ltd. | 12 | - |
| Asian Honda Motor Co. Limited, Thailand | 50 | 17 |
| Others | 2 | 3 |

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| **Holding Company** | | |
| Trade payables | 3,486 | 2,881 |
| Trade receivables | 219 | 153 |
| Other recoverables | 95 | - |
| Other payables | 265 | 224 |
| **Fellow subsidiaries** | | |
| **Trade payables** | | |
| Asian Honda Motor Co. Limited, Thailand | 439 | 148 |
| Honda Trading Corporation, Japan | 162 | 26 |
| Honda Trading Asia Co. Ltd., Thailand | 74 | 61 |
| Honda Trading Corporation India Private Limited, India | 19 | 12 |
| American Honda Motor Co. Inc, USA | 59 | 69 |
| Others | 232 | 174 |
| **Trade receivables** | | |
| American Honda Motor Co. Inc, USA | 1,593 | 3,022 |
| Honda Australia Motorcycle and Power Equipment Pty Ltd, Australia | 187 | - |
| Honda Canada Inc., Canada | 1,592 | 1,006 |
| Honda Motor Europe Limited, United Kingdom | 237 | 619 |
| Honda Motorcycle and Scooter India Private Limited, India | 503 | 347 |
| Honda Gulf FZE | - | 141 |
| Others | 341 | 483 |
| **Other Recoverable** | | |
| Honda R&D (India) Pvt. Limited, India | 0 | 1 |
| Others | - | 2 |
| **Advance from customers** | | |
| Others | 0 | 0 |
| **Advance to Creditors** | | |
| Goshi India Auto Parts Private Limited | 68 | - |

**(f) Terms and conditions**

Transactions relating to dividends were on the same terms and conditions that applied to other shareholders.
No guarantee has been given by the company during the year ended March 31, 2026.

All other transactions were made on normal commercial terms and conditions and at arms length. All outstanding balances are unsecured and settled in cash.

**Note 31: Contingent liabilities**

The Company has contingent liabilities at the year end in respect of:

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Claims against the Company not acknowledged as debts | | |
| Income tax matters | 11,135 | 14,626 |
| Customs matters | 4,879 | 4,879 |
| Sales tax matters | 516 | 530 |
| Other matters | 54 | 57 |

**Notes**

(i) In respect of the matters above, the amount represents the demands received under the respective demand/ show cause notices/ legal claims, wherever applicable.

(ii) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

(iii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(iv) The Company has received a show cause notice dated May 30, 2018, from Regional Commissioner - Noida under section 7A of the Employees' Provident Fund and Miscellaneous Provisions Act 1952 challenging the salary structure used for determining the liability under the act in case of international workers. Presently the proceedings subsequent to the notice are in data collection and verification stage and no demand has been raised on the Company.
The Company has filed a writ petition against the show cause notice and proceedings thereto, in Allahabad High court, wherein the Hon'ble High court in their order dated April 30, 2019, directed that any final order passed by the Provident Fund authorities will be subject to the disposal of the present writ petition. Based on the opinion obtained from external legal expert, the management has assessed that the Company has a good case in the said matter.

(v) The Company will continue to assess the impact of further developments relating to retrospective application of Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation on non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management which is supported by legal advice, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

(vi) In view of the judgement of honourable supreme court in the case of M/s Northern operating system private limited(NOS) on manpower supply services, the Company has consulted a reputed lawyer and got its opinion. Based on the opinion the Company is of the view that the Company has no liability in this regards as the facts of the Company are different from NOS. However the Company has discharged the GST without admitting liability.

(vii) The Company has received order amounting to Rs 4,441.69 lakhs from Customs Department regarding classification of three parts at the time of importation. The Company has filed the appeal in CESTAT, Allahabad against the order.
Based on the opinion obtained from external legal expert, the management has assessed that the Company has a good case in the said matter.

**Note 32: Commitments**

**(a) Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities (net of advances) is as follows

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | | |
| Property, plant and equipment and intangible assets | 808 | 1,459 |

**(b) Leases**

a) General description of the Company's lease arrangements:

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

The Company enters into lease arrangements for offices, residential premises for its employees and equipment for generating power for captive consumption. Some of the significant terms and conditions of the arrangements are:

- certain agreements for premises may generally be terminated by the lessee or either party by serving one to three month's notice or by paying the notice period rent in lieu thereof.
- the lease arrangements are generally renewable on the expiry of lease period subject to mutual agreement.

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| b) Rental expense relating to lease | 375 | 361 |
| **Total** | **375** | **361** |

**c) There are no future minimum lease payments under non-cancellable lease.**

**Note 33: Events occuring after the reporting period**

Refer to note 28(b) for the final dividend recommended by the directors which is subject to the approval of shareholders in the ensuing annual general meeting.

**Note-34: Ratios**

The following are analytical ratios for the year ended March 31, 2026 and March 31, 2025

| Ratio | Methodology | March 31, 2026 | March 31, 2025 | % Variance | Reason of Variance above 25% |
|---|---|---|---|---|---|
| Current Ratio | Current Assets over Current liabilities | 3.36 | 4.45 | -24.35% | The Change in ratio from March 31, 2025 is less than 25%, hence not required to be explained. |
| Debt-Equity Ratio | Debt over Total Shareholder's Equity | 0.00* | 0.00* | 0.00% | The Change in ratio from March 31, 2025 is less than 25%, hence not required to be explained. |
| Debt Service Coverage Ratio | Earning Before Interest, Taxes, Deprecation and Amortization over Current Debt | 867.77 | 492.32 | 76.26% | The increase in Debt service coverage ratio from March 31, 2025 is primarily due to decrease in EBITDA and increase in lease liabilities during the year ended March 31, 2026. |
| Return On Equity Ratio | Profit for the year over Total average equity | 7.71% | 9.54% | -19.22% | The Change in ratio from March 31, 2025 is less than 25%, hence not required to be explained. |
| Inventory Turnover Ratio | Sale of Products over Total average inventory | 6.30 | 5.99 | 5.12% | The Change in ratio from March 31, 2025 is less than 25%, hence not required to be explained. |
| Trade Receivable Turnover Ratio | Revenue from operations over average trade receivables | 6.28 | 9.41 | -33.29% | The decrease in trade receivable turnover ratio from March 31, 2025 is primarily due to increase in credit period and higher sales in last quarter of the year ended March 31, 2026. |
| Trade Payable Turnover Ratio | Adjusted expenses over average trade payables | 7.05 | 5.96 | 18.37% | The Change in ratio from March 31, 2025 is less than 25%, hence not required to be explained. |
| Net Capital Turnover Ratio | Revenue from operations over average working capital | 1.48 | 1.30 | 13.86% | The Change in ratio from March 31, 2025 is less than 25%, hence not required to be explained. |
| Net Profit Ratio | Profit for the year over revenue from operations | 7.42% | 10.06% | -26.25% | The decrease in net profit ratio from March 31, 2025 is primarily due to increase in material cost and increase in exceptional item. |
| Return On Capital Employed | Earning Before Interest and Taxes over average capital employed | 10.29% | 12.91% | -20.24% | The Change in ratio from March 31, 2025 is less than 25%, hence not required to be explained. |
| Return on Investment | Profit for the year(after tax) over Total Assets | 6.23% | 7.63% | -18.42% | The Change in ratio from March 31, 2025 is less than 25%, hence not required to be explained. |

*below to two decimal places

Wherever the term "average" is used, the average has been computed as follows: (Balance as at beginning of the year + Balance as at end of year)/2

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

**Notes:**
Debt: current and non-current lease liabilities.
Current Debt: Current year lease payments
Adjusted expenses refers to Purchase and other expenses net of non-cash expenses
Capital employed refers to total shareholders' equity and debt
Working capital: Current assets - Current Liabilities

**Note 35: Earnings per share**

| | March 31, 2026 | March 31, 2025 |
|---|---|---|
| Net profit attributable to the equity holders of the Company | 6,424 | 7,994 |
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share | 1,01,43,071 | 1,01,43,071 |
| **Basic and diluted earnings per share** | **63.33** | **78.81** |

Note: There are no dilutive instruments

**Note 36: Disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006 based on the information:**

| Particulars | March 31, 2026 | March 31, 2025 |
|---|---|---|
| The amounts remaining unpaid to micro and small suppliers as at the end of the year | | |
| -Principal | 3,078 | 1,207 |
| -Interest | - | - |
| The amount of interest paid by the buyer as per the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) | - | - |
| The amounts of the payments made to micro and small supplier beyond the appointed day during each accounting year | - | - |
| The amount of interest due and payable for the period of delay in the making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006 | - | - |
| The amount of interest accrued and remaining unpaid at the end of each accounting year | - | - |
| The amount of further inrterest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to small enterprise for the purpose of disallownace as a deductible expenditure under the MSMED Act, 2006 | - | - |

**Note 37: Exceptional item**

On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published Central Rules and FAQs related thereto. Accordingly, The Company has assessed and accounted / disclosed the incremental impact of these changes on the basis of the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India. Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such incremental impact as “Statutory impact of new Labour Codes” under “Exceptional Items” in the Statement of Profit & Loss for the year ended March 31, 2026. The incremental impact thereof consists of gratuity INR 702 lakhs and long-term compensated absences INR 297 lakhs. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would appropriately account for the effect of such developments as needed.

**Note 38: Additional regulatory information required by Schedule-III**

(i) Details of Benami Property:

The Company does not have any benami property and no proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

(ii) Borrowing secured against current assets:

The Company does not have any borrowings from banks and financial institutions on the basis of security of current assets.

**Notes to the financial statements for the year ended March 31, 2026**
*(All amounts in INR lakhs, unless otherwise stated)*

(iii) Wilful Defaulter:

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iv) Compliance with number of layers of companies

The Company does not have any subsidaries.

(v) Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the Ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries

(vi) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(vii) Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

(viii) Transactions with struck off companies

The Company does not have any transactions with struck off companies under section 248 of the Companies Act 2013 or section 560 of companies act 1956.

(ix) The Company is not a CIC as per the provisions of the Core Investment Companies (Reserve Bank) Direction, 2016.

(x) The Company has not revalued it's property, plant and equipment (including right-of-use assets) or intangible assets during the current year.

(xi) The Company has not entered into any scheme of arrangement which has an accounting impact during the current year.

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

**Rajesh Arora**
Partner
Membership No. 076124

Place : Greater Noida
Date : 26th May 2026

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

| | | | |
|---|---|---|---|
| **Sunita Ganjoo** | **Shigeki Iwama** | **DIN: 10075458** | CMD and President & CEO |
| Company Secretary | **Vinay Mittal** | **DIN: 05242535** | Whole time director & CFO |

Place : Greater Noida
Date : 26th May 2026

NOTES

NOTES

HONDA

# Honda CBU Range

## WATER PUMPS

WB15X WS20X WB20XD WB30XD WB40XD

## TILLERS

F300 FJ500 FQ650

## LAWN MOWERS

HRJ196 HRJ216

## GENERAL PURPOSE ENGINES

SMALL MID BIG NEW V-TWIN GENERATION

GX35 GX50 GX80 GX200 GX270 GX630

## PORTABLE GENERATORS

EP1000 EX2400S

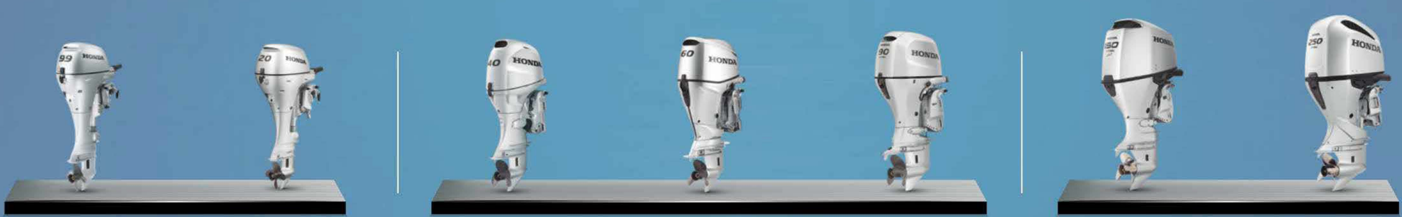
EU30is EU70is

## BRUSH CUTTERS

UMK425T UMK435T UMK450T UMR435T

## OUTBOARD MOTORS

PORTABLE MID BIG



BF9.9 BF20 BF40 BF60 BF90 BF150 BF250

HONDA

**Honda India Power Products Limited**

CIN: L40103DL2004PLC203950

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