



Stakeholders Empowerment Services

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ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance research and advisory firm. SES assists investors to analyze governance practices including matters relating to sustainability, prevalent at listed entities and empower Investors to undertake meaningful engagement with Investee entities.

SES SERVICES

E-BRSR Tool: Online web-based platform to create BRSR Report by the Company and generate XBRL in seamless, cost and time effective manner

[Read More](#)

Contact for Demo –

jng@sesgovernance.com

manshi.singh@sesgovernance.com

SES AIMS:

Designed primarily for Institutional investors to carry out their stewardship activities in an efficient manner.

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Proxy Advisory:

Advises investors on the matters that require shareholder approval at listed entities and identify Governance issues. [Read More](#)

ESG Scores:

Analyze sustainability initiatives of Companies based on various environmental, social and governance factors.

[Read More](#)

Corporate Governance Score (CGS):

CGS model measures the Company's compliance and also evaluates the governance practices with respect to global benchmarks. [Read More](#)

E-Ballot:

One stop solution for investors – Online Vote Management System to cater to requirements of Institutional Investors. [Read More](#)

Proxy Advisory Report (Addendum)

Honda India Power Products Ltd

COMPANY INFORMATION

BSE CODE: 522064

NSE SYMBOL: HONDAPOWER

ISIN: INE634A01018

Industry: Industrial Products

Email: ho.legal@hspp.com

Phone: +91 11 4108 2210

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

MEETING DETAILS

Meeting Type: PB

Voting Deadline: 14th May, 2023

Notice Date: 28th March, 2023

Notice: [Click here](#)

Annual Report: [FY 2021-22](#)

SES PA Report (PB 2023): [Report](#)

E-VOTING DETAILS

e-Voting Platform: [NSDL](#)

Cut-off Date: 7th April, 2023

Remote E-voting:

- **Start:** 15th April, 2023
- **Ends:** 14th May, 2023

ADDENDUM RELEASE DATE: 4th May, 2023

Research Analyst: Amit Panchal

Conflict Disclosure: SES - No Conflict | Analyst - No Conflict



ADDENDUM

This Addendum is being issued based on the e-mail dated 1st May, 2023 sent by Honda India Power Products Ltd ('the Company') w.r.t Proxy Advisory Report ('[PA Report](#)') issued by SES in relation to the ongoing PB of the Company having e-voting deadline on 14th May, 2023.

There is no change in any of SES recommendations.

BACKGROUND

SES, as per its policy, had e-mailed its PA Report to the Company on 29th April, 2023 in respect of the ongoing PB of the Company having e-voting deadline 14th May, 2023

Post release of the PA Report, SES received an email from the Company providing its view point, which is reproduced in the end in **blue text** along with the SES Response (**in black**).

It may be noted that the email of the Company (as per SES policy framed to comply with SEBI Circular dated 3rd August, 2020 [SEBI/HO/IMD/DF1/CIR/P/2020/147](#)) has already been forwarded to SES clients 'as it is', without any inputs from SES on 2nd May, 2023. This Addendum provides appropriate responses of SES, wherever required.

SES COMMENTS ON COMPANY'S RESPONSE

Resolution No. 2: Appointment and payment of remuneration to Mr. Shigeki Iwama as CMD and President & CEO of the Company

Company's Response:

- The company shall comply with the statutory requirement as and when it becomes obligatory.*
- Regarding the concern over the role of Chairman and MD being vested within one person, the Company is of the view that the Board being a balance of independent & non-independent directors, independent directors of the Company, having substantive knowledge of the Company's business and being well versed with finance, accounts & commercial laws, have the ability to supervise and monitor the performance of the Executive Management of the Company.*
- Apart from the above, the CMD of the Company, being professionally qualified, is competent enough to provide effective oversight and contributions to the Board & the Management as well.*

Considering above, you are requested to modify your recommendation accordingly for the Ordinary Resolution set out at Agenda Item No. 2 of the Postal Ballot Notice.

SES comment: SES would like to re-iterate that while **no concern has been identified on the merit of the proposed appointee**, however the concern raised by SES is purely on the **governance basis**. Although, there is no legal bar on the Chairman of the Company from holding the Executive position, SES is of the view that the Company should have separated the position since combining both positions may lead to the concentration of powers in the hands of a single person.

Shareholders may take note of the Company's email and take an informed decision.



COMPANY'S EMAIL

Dear ***,

With reference to your concern with regard to Resolution No. 2 of the Postal Ballot Notice, we wish to submit our response as under:

Resolution no. 2- Appointment of Mr. Shigeki Iwama as CMD and President & CEO of the Company:

SES View: Governance Concern - Although, there is no legal bar on the Chairman of the Company from holding Executive position, SES is of the view as a good governance practice the Company should have separated the position of chairman from the executive position as holding both the positions of Chairman and Managing Director by the same person may lead to concentration of powers in the hands of single person.

Response of the company:

1. The company shall comply with the statutory requirement as and when it becomes obligatory.
2. Regarding the concern over the role of Chairman and MD being vested within one person, the Company is of the view that the Board being a balance of independent & non-independent directors, independent directors of the Company, having substantive knowledge of the Company's business and being well versed with finance, accounts & commercial laws, have the ability to supervise and monitor the performance of the Executive Management of the Company.
3. Apart from the above, the CMD of the Company, being professionally qualified, is competent enough to provide effective oversight and contributions to the Board & the Management as well.

Considering above, you are requested to modify your recommendation accordingly for the Ordinary Resolution set out at Agenda Item No. 2 of the Postal Ballot Notice

Thanks & Regards



Meeting Type: Postal Ballot

Voting Deadline: 14th May, 2023**Disclaimer
Sources**

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its [website](#). The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

While SES has made every effort, and has exercised due skill, care and diligence in compiling this report based on publicly available information, it neither guarantees its accuracy, completeness or usefulness, nor assumes any liability whatsoever for any consequence from its use. This report does not have any approval, express or implied, from any authority, nor is it required to have such approval. The users are strongly advised to exercise due diligence while using this report.

This report in no manner constitutes an offer, solicitation or advice to buy or sell securities, nor solicits votes or proxies on behalf of any party. SES, which is a not-for-profit Initiative or its staff, has no financial interest in the companies covered in this report except what is disclosed on its website. The report is released in India and SES has ensured that it is in accordance with Indian laws. Person resident outside India shall ensure that laws in their country are not violated while using this report; SES shall not be responsible for any such violation.

All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: The Company has not met statutory compliance requirements

FC – Fairness Concern: The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders

GC – Governance Concern: SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.

TC - Disclosures & Transparency Concern: The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.

Company Information

Stakeholders Empowerment Services

SEBI Reg. No. INH000000016

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Contact Information**Stakeholders Empowerment Services**

109, Shyam Baba House,
Upper Govind Nagar,
Malad East,
Mumbai – 400097
Tel +91 22 4022 0322

research@sesgovernance.cominfo@sesgovernance.comwww.sesgovernance.com