

June 25, 2022

BSE Limited  
P.J. Towers  
Dalal Street  
Mumbai 400 001  
(Atten:DCS Listing)

National Stock Exchange of India Limited  
Exchange Plaza, 5<sup>th</sup> Floor  
Plot No. C/1, G Block  
Bandra-Kurla Complex, Bandra (E)  
Mumbai 400 051  
(Atten:Manager Listing Department)

**Ref: BSE Scrip Code: 543187, NSE Scrip Symbol: POWERINDIA**

Dear Sirs,

**Sub: Regulation 34 of SEBI (LODR) Regulations, 2015 - Annual Report for the financial period 2021-22 (January 01, 2021 to March 31, 2022)**

We are enclosing herewith the 3<sup>rd</sup> Annual Report of the Company for the financial period 2021-22 along with the Notice of the Annual General Meeting which has been dispatched today (i.e. June 25, 2022) in electronic form to all eligible Members whose email ids are registered with the Company / Depositories.

The 3<sup>rd</sup> Annual General Meeting of the Company will be held on Friday, July 22, 2022 at 11.00 A.M. (IST) through ("VC") / Other Audio-Visual Means ("OAVM") in accordance with the Circulars issued by the Ministry of Corporate Affairs and Securities & Exchange Board of India.

The Annual Report can also be accessed from the website of the Company at <https://www.hitachienergy.com/in/en/investor-relations/general-meetings>

The Annual Report is enclosed pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

Kindly take the same on your records.

Thanking you,

Yours faithfully,  
**For Hitachi Energy India Limited**  
(formerly known as ABB Power Products and Systems India Limited)

**Poovanna Ammatanda**  
**General Counsel and Company Secretary**

Encl: as above

CC:

- 1.National Securities Depository Ltd.
- 2.Central Depository Services (India) Ltd.
- 3.KFIN Technologies Limited – Registrar & Share Transfer Agent

**Hitachi Energy India Limited**

(Formerly known as ABB Power Products and Systems India Limited)

**Registered and Corporate Office:**  
8<sup>th</sup> Floor, Brigade Opus, 70/401,  
Kodigehalli Main Road, Bengaluru – 560 092,  
Phone: 080 68473700, 080 22041800  
CIN: L31904KA2019PLC121597  
[www.hitachienergy.com/in](http://www.hitachienergy.com/in)





**HITACHI**  
Inspire the Next



Towards a carbon-neutral energy system

Annual Report 2021-22

**Hitachi Energy India Limited**

 **Hitachi Energy**

Hitachi Energy\* is advancing the world's energy system to be more sustainable, flexible, and secure. We collaborate with customers and partners to enable a sustainable energy future – for today's generations and those to come.

Customers in the utilities, industries, transportation, data centers, and smart life sectors trust our solutions which contribute social, environmental, and economic value and span the entire value chain and life cycle.

At the close of the year the Company has over 2,200 employees in India across 17 manufacturing units in six locations, 12 branch offices and seven additional sales points.

\*Hitachi Energy (formerly known as ABB Power Products & Systems India Limited) operates in India as Hitachi Energy India Limited. It is listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) as POWERINDIA, Scrip code: 543187

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# Discover Hitachi Energy

## The birth of a technology pioneer

In November 2021, your Company announced its evolution to 'Hitachi Energy India Limited', reaffirming its commitment to advance a sustainable energy future for all in India, in the presence of key policy makers and over seventy industry leaders. With its new brand name – Hitachi Energy India – the business will be able to effectively position its pioneering technologies and services to existing and future customers expanding beyond the grid – opening up a breadth of opportunities in areas such as sustainable mobility and smart life, and contributing further economic, environmental and social value.





India is pursuing ambitious clean energy pathways and together with customers and partners, we are excited to support technologies that enable more integration of renewables. As Hitachi Energy, we are committed to continue pushing the boundaries of innovation in India and delivering on the promise of a carbon-neutral future.

**Claudio Facchin, CEO**  
Hitachi Energy

We believe in India's fundamental growth drivers and are increasing our footprint, opening new factories and expanding existing ones. As part of Hitachi Energy's vision 2025, we aim to boost the digitalization of our products, consultancy and services, and exports in high-growth segments to drive India's energy transition.

**N Venu, Managing Director and CEO**  
Hitachi Energy India Limited



# Financials

## Performance in January 2021 - March 2022

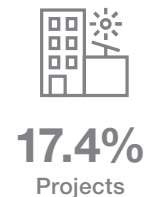
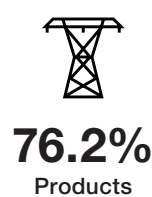
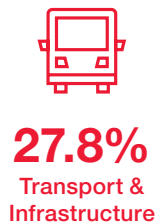
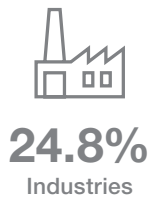
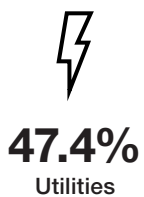
Following the turbulence and the slowing down of market in the first half, the nation and business witnessed a return to normalcy with resuming demand from utilities and industries. While tempered by geopolitics and supply chain constraints, your company delivered a strong, credible performance over the 15-month period under consideration.

### Highlights (15 month period)

Particulars	Amount (INR crore)
Total orders received	4,548.1
Revenue	4,950.9
Profit Before Tax after exceptional items	276.6
Profit After Tax	203.34

### Key ratios

Effective tax rate	26.46%
Earnings per share (INR)	47.99
Debtors turnover	3.4
Inventory turnover	8.2
Current ratio	1.1



# India's energy landscape

The world's fourth-largest economy, India is expected to clock at least 7.5 percent gross domestic product (GDP) growth in FY23 making it one of the fastest growing economy in the world. There is considered focus on deploying clean green energy sources to fuel this growth, including adopting and localizing technologies to accelerate electrification of services.

## Where India stands today

- 2nd** largest power consumer
- 3rd** largest power producer
- 3rd** highest generator of CO2 emissions
- 5th** largest installed RE capacity
- 6th** in attracting clean energy investments

## Focus areas

2022

<p><b>60%</b> Energy mix About 60% from fossil fuels; rest from non-fossil-based energy</p>	<p><b>70%</b> Rail 70% of broad-gauge network electrified</p>	<p><b>0.5%</b> EV Penetration 0.5% of the global market</p>
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2030

<p><b>50%</b> Energy target 50% from non-fossil energy</p>	<p><b>100%</b> Rail 100% rail electrification</p>	<p><b>1 billion tons</b> CO<sub>2</sub> emissions Reduction of 1 billion tons</p>
<p><b>500 GW</b> RE target 500 GW of renewable energy</p>	<p><b>30%</b> EVs 30% penetration</p>	<p><b>1 million tons</b> Green hydrogen ~1 million tons in annual production</p>



# Energy System 2050

## Towards a carbon-neutral vision

### Electricity will be the backbone of the entire energy system:

Accelerating the transition to a carbon-neutral energy system requires adapting and adopting policies and regulations to enable technology, and new business models to support scalable, flexible and secure energy systems.

### Fast Facts:

- Global electrification will be more than 50% of total energy demand
- Electrification improves energy efficiency
- All market sectors are converting towards electrification
- Energy sector-coupling is beneficial

### Digital and energy platforms are needed...to manage the enormous power system energy transition challenges:

- Increased complexity
- Additional capacity for CO<sub>2</sub> reduction

01

Accelerated shift from fossil-based to renewable power generation

02

Growing electrification of Transportation, Industry and Buildings sectors

03

Sustainable energy carriers, complementary to direct electrification

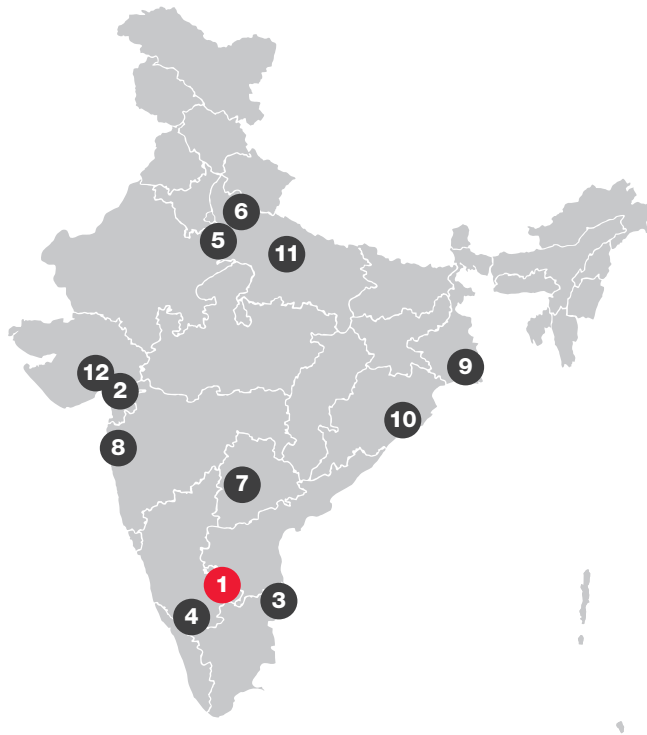


# Our footprint in India





Over several decades, your company has entrenched itself deeply into the country.





## Local presence, global expertise:

1. Bangalore (Country Headquarters)
2. Vadodara
3. Chennai
4. Mysore
5. Gurgaon
6. Faridabad
7. Hyderabad
8. Mumbai
9. Kolkata
10. Bhubhaneshwar
11. Lucknow
12. Ahmedabad



Country Headquarters, Bangalore, India

-  17 manufacturing units across six locations
-  19 sales touch points
-  >2,200 employees
-  Energy Technology Experience Center  
Energy Digital Experience Center

-  Enabling power for **90 million** people through world's first multi-terminal UHVDC transmission link
-  **50%** of HVDC links in India by Hitachi Energy
-  Facilitating round-the-clock power for **350 companies** for India's largest IT park
-  **9/10** metro rail services deploy Hitachi Energy technology



# Advancing a sustainable energy transition

## Increasing access to affordable, reliable, sustainable, and modern energy for all

### Utilities and industry:

- Commissioned the 1,800-km-long, 6-gigawatt ultra-high voltage direct current transmission link connecting Raigarh in central India to Pugalur in the southern state of Tamil Nadu
- Successfully upgraded the HVDC link connecting the 3,000 MW coal-based Rihand Thermal Power Station in Uttar Pradesh to the northern region of India
- Won order to power possibly the biggest hydroelectric project in Jammu & Kashmir, the Pakal Dul Power Project
- Delivered India's largest natural ester filled power transformer for Mumbai transmission network
- Working with India's largest private transmission company to upgrade an electric transmission network spanning over 1,000 circuit kilometers of transmission lines and substations in 18 districts of Madhya Pradesh
- Setting up a Remote Operations and Nerve Centre (RONC) in Ahmadabad to monitor and control 34 power substations in Rajasthan to maximize grid efficiency and prevent costly disruptions and outages

- Selected by one of India's top aluminum producers, Bharat Aluminum Company (BALCO), to increase power reliability at their Korba plant in Chhattisgarh
- Booked multiple orders in the data center space for transformers as well as substations from leading IT service management companies
- Received contracts from steel and mining companies for high voltage products and for services from various industry players toward electrical safety devices

### Transportation and infrastructure:

- Won multiple orders from public electric locomotive manufacturers and global industry and infrastructure players for Indian Railways to advance the Government of India's mission of 100 percent rail electrification and a low carbon footprint. Also attracted interest for transformers for various metro projects.
- Remained a partner-of-choice for established infrastructure players from cement to steel for high-voltage products and transformers.





# Being recognized for excellence

Winning prestigious awards and appreciation for quality from customers



- Won the industry-recognized Golden Peacock Occupational Safety and Health award
- Multiple awards won at the prestigious India Smart Grids Forum
- Presented the CEO of the Year award by the India Achievers Forum, to recognize outstanding professional achievement and contribution to nation-building
- Received numerous appreciation letters from our customers for our safety standards

# Product launches

We are technology leaders at the forefront of evolving the world's future energy system. Recognized as pioneers for more than a century, we bring a mindset of anticipating future needs to ensure that customers succeed in their goals. We believe that diversity plus collaboration results in great innovation. As we drive towards a carbon-neutral future, our teams are continuously innovating and inspire action to deliver economic, environmental and social value for generational impact.

## EconiQ™:

EconiQ™ is Hitachi Energy's eco-efficient portfolio where products, services, and solutions are proven to deliver sustainable environmental performance, compared to conventional solutions. EconiQ's portfolio is sustainability-oriented in design to reduce environmental impact and increase energy efficiency while future-proofing technology investments.



## IdentiQ™:

A digital twin for sustainable, flexible, and secure power grids, IdentiQ™ is a game-changing digital solution for high-voltage direct current (HVDC) and power quality solutions. Built with our legacy of expertise in power grids and integrated with Hitachi's Lumada platform, IdentiQ includes 3D interactive visualization of the complete asset, combined with one-click access to all the associated plant and equipment information.



# Initiatives

## Diversity

Guided by the diversity and inclusion councils constituted for each business unit and function, Hitachi Energy India is working to improve diversity from the grassroots level. We conducted hiring drives focussed on promoting a diverse workforce such as Ignite 2.0, a recruitment drive for women returning after a career break. These initiatives have started to show results with an improved gender ratio in our workforce.

## Women in engineering

The current batch of Women in Engineering graduates had a high level of engagement, including sessions with our experts. The program was stepped up through mentoring and pedagogy sessions with our employees throughout the year. The graduates were also provided with new laptops as a part of this program.

## Academic partnerships

We continue our engagement with academia as a part of our focus on smart public infrastructure, and shaping the country's future. We have set up a Smart Electric Grid lab in NITW as a platform for technology innovation and incubation. At IIT Roorkee, we set up an innovative and sustainable community model including campus energy and utility monitoring,

analytics, and control. At IIT Madras, we have set up electric bus charging infrastructure and operation in collaboration with Ashok Leyland, a platform for innovation and idea incubation toward clean public mobility technology. These serve as innovation platforms for students, researchers, faculty, and industries.

## Trainings

Hitachi Energy India signed an MoU with Tata Power Delhi Distribution Limited, a pioneering power distribution utility to conduct training in the power distribution sector. This partnership will address the training needs of power distribution personnel, bringing together the expertise and resources of two industry leaders for the overall benefit of the sector. It will also cater to reforms in India and other countries.

## EnergyREC

In March 2021, we set up EnergyREC, a state-of-the-art remote monitoring and reliability service solutions center, that strengthens our digital service capabilities. The center offers an advanced maintenance platform to improve overall reliability and uptime of customers' power assets.





# Sustainability 2030

Sustainability 2030 is our strategic plan that summarizes our main commitments to act and drive business in a responsible, eco-friendly, sustainable way.

Based on four pillars - Planet, People, Peace, and Partnerships - our strategy draws from the UN's Sustainable Development Goals (SDGs). Each pillar has corresponding targets that drive our business to contribute social, environmental and economic value.

### Milestones achieved by Hitachi Energy India

- 100 percent fossil-free electricity consumption in operations
- Set up an ESG (Environment, Social, Governance) committee of directors to track our performance and shareholders' value
- Implemented green power for project sites, negating carbon footprint of 4,000 liters of diesel a year
- Recycle 70 percent of waste and co-processed 155 tonnes of scrap
- Commissioned India's largest natural ester-filled power transformer in the Mumbai transmission network

## Our Global 2030 Targets



### Planet

Carbon-neutral in our own operations

- ↓ 50% reduction of CO2 equivalent emissions<sup>2</sup> along the value chain
- ↓ 50% reduction of waste disposed
- ↓ 25% reduction of freshwater use
- ↓ 25% reduction of hazardous substances and chemicals



### Peace

Zero incidents of corruption and bribery



### People

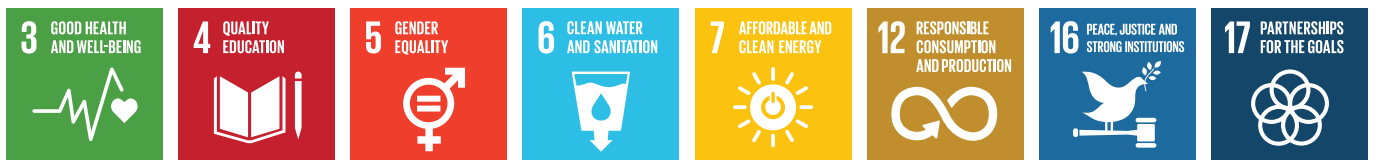
Zero harm

- Top quartile health absence rates
- Life-long learning culture
- Increase female diversity from 19% to 25% by 2025



### Partnerships

Increase involvement in multi-stakeholder partnerships



# Support during Covid-19

**Access to Covid-19 vaccination:** Hitachi Energy conducted vaccination drives at various office locations throughout the year, ensuring employees and their families had access to the vaccination. Over 99% of our workforce is completely vaccinated.

**Concentrators:** During the second wave, Hitachi Energy arranged for a pool of 122 oxygen concentrators at various locations across India. Concentrators were sent to the homes of affected employees to provide them with relief until a hospital bed could be secured.

**Strengthening community healthcare infrastructure:** We donated critical healthcare infrastructure to private and government hospitals in Vadodara, Mysore, and Bangalore, enabling them to provide much-needed healthcare services to the community.





# Country Management Committee

## Strong leadership, clear focus

Our leadership pillars are about connecting people to people to drive potential, performance and purpose.



**From left to right (standing)**

Ramkumar D, Senior Vice President – GPQS  
Rupinder Singh, Senior Vice President – High Voltage Products  
Ahmad Khan, Senior Vice President – Grid Automation  
Akilur Rahman, Chief Technology Officer  
Karthik Krishnamurthi, Head of Sales and Marketing  
Manashwi Banerjee, Head of Communications

**From left to right (sitting)**

Atul Pandit, Senior Vice President – Transformers  
Raja Radhakrishnan, Country HR Director  
N Venu, Managing Director & CEO  
Ajay Singh, Chief Financial Officer  
Poovanna Ammatanda, General Counsel and Company Secretary  
Saji S, Senior Vice President – HVDC



# Company Information

## Board of Directors

Achim Michael Braun, Chairman  
Nuguri Venu, Managing Director and CEO  
Ismo Antero Haka, Director  
Akila Krishnakumar, Independent Director  
Mukesh Hari Butani, Independent Director  
Nishi Vasudeva, Independent Director

## Audit Committee

Mukesh Hari Butani, Chairman  
Akila Krishnakumar, Member  
Nishi Vasudeva, Member  
Nuguri Venu, Member

## Stakeholders' Relationship Committee

Nishi Vasudeva, Chairperson  
Mukesh Hari Butani, Member  
Nuguri Venu, Member  
Ismo Antero Haka, Member

## Nomination and Remuneration Committee

Akila Krishnakumar, Chairperson  
Nishi Vasudeva, Member  
Achim Michael Braun, Member

## Corporate Social Responsibility Committee

Akila Krishnakumar, Chairperson  
Achim Michael Braun, Member  
Nuguri Venu, Member

## Risk Management Committee

Mukesh Hari Butani, Chairman  
Nishi Vasudeva, Member  
Ismo Antero Haka, Member  
Nuguri Venu, Member  
Ajay Singh, Member

## Environment, Social and Governance Committee

Nishi Vasudeva, Chairperson  
Akila Krishnakumar, Member  
Achim Michael Braun, Member  
Nuguri Venu, Member

## Statutory Auditors

**M/s. S.R. Batliboi & Associates LLP**  
Chartered Accountants  
12<sup>th</sup> Floor, UB City, Canberra Block,  
No 24, Vittal Mallya Road,  
Bengaluru - 560 001

## Chief Financial Officer

Ajay Singh

## Cost Auditors

**M/s. Ashwin Solanki & Associates**  
Cost Accountants  
801-2, Goyal Trade Center,  
Above Sona Cinema, Shantivan,  
Near National Park, Borivali (East),  
Mumbai - 400 066

## Secretarial Auditors

**M/s. BMP & Co. LLP**  
Company Secretaries  
4272, Sapthagiri, 2<sup>nd</sup> Floor,  
Vivekananda Park Road,  
Near Seetha Circle, Girinagar,  
Bengaluru - 560 085

## General Counsel, Company Secretary and Compliance Officer

Poovanna Ammatanda

## Registered Office

8<sup>th</sup> Floor, Brigade Opus,  
70/401, Kodigehalli Main Road,  
Bengaluru - 560 092

## Registrar and Share Transfer Agents KFin Technologies Limited

Unit: Hitachi Energy India Limited  
(formerly known as ABB Power  
Products and Systems India Limited)  
Selenium, Tower B, Plot 31-32,  
Gachibowli, Financial District,  
Nanakramguda, Serilingampally  
Mandal, Hyderabad - 500 032

## Bankers

Axis Bank Limited  
Bank of America, N.A.  
Bank of Bhutan Limited  
Deutsche Bank AG  
HDFC Bank Limited  
ICICI Bank Limited  
JP Morgan Chase Bank, N.A.  
Standard Chartered Bank  
State Bank of India  
The Hongkong and Shanghai Banking  
Corporation Limited  
Kotak Mahindra Bank Limited

## Corporate Identity Number

L31904KA2019PLC121597

# Driving change to create environmental, social, and economic value

Hitachi Energy’s commitment to the select eight United Nations Sustainable Development Goals (SDGs) is brought to life through Environmental, Social and Governance focus.

## ESG strategy is based around four pillars: Planet, People, Peace and Partnerships



By 2030, become carbon-neutral in own operations and reduce emissions in the value chain by 50%



Nurturing a culture of life-long learning and creating inclusive learning opportunities for all



Reduce waste – along with use of precious resources, like freshwater



Safety, integrity and quality – license to operate



Targets for 2030 include zero harm – through rigorous risk assessments and training; health is top priority



Contributing to ‘Partnerships for the Goals’ by increasing involvement in multi-stakeholder partnerships



Increasing gender diversity from 5.8% women in workforce to 16-20% by 2030



# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

Sl. No.	Particulars	Response
1	Corporate Identity Number (CIN) of the Listed Entity	L31904KA2019PLC121597
2	Name of the Listed Entity	Hitachi Energy India Limited (Formerly known as ABB Power Products and Systems India Limited)
3	Year of incorporation	2019 (February 19, 2019)
4	Registered office address	8 <sup>th</sup> Floor, Brigade Opus, 70/401 Kodigehalli Main Road, Bengaluru-560092
5	Corporate address	8 <sup>th</sup> Floor, Brigade Opus, 70/401 Kodigehalli Main Road, Bengaluru-560092
6	E-mail	investors@hitachienergy.com (For investors) poovanna.ammatanda@hitachienergy.com (e-mail id of Compliance Officer and Nodal Officer)
7	Telephone	080-68473700, 080-22041800
8	Website	<a href="https://www.hitachienergy.com/in/en">https://www.hitachienergy.com/in/en</a>
9	Financial year for which reporting is being done	FY 2021-22 (January 01, 2021 to March 31, 2022)
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited (BSE) National Stock Exchange of India Limited (NSE)
11	Paid-up Capital	INR 8,47,63,350/- divided into 42381675 equity shares of INR 2/- each
12	Name and contact details (telephone, e-mail address) of the person who may be contacted in case of any queries on the BRSR report	Mukesh Arora (Telephone: 080-68473719) E-mail: mukesh.arora1@hitachienergy.com
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis (Consolidated reporting is not applicable)

### II. Products/services

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

Sl. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Design and manufacturing of system, equipment, devices and accessories	-
2	Engineering and Installation	Engineering, integration, installation and commissioning of systems, products, and software (including automation, protection and control)	-
3	Services	Post-commissioning services (for system solutions)	-

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

Sl. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Power, Distribution, Traction and Special Application Transformers	27102	-
2	Switchgear, Switching and control apparatus, Surge Arrestors, Relays, Power Capacitors & Power Quality products.	27104	-

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	6*	12**	18
International	-	3	3

\* 17 factories across 6 manufacturing locations

\*\* excludes 7 sales touch points



**17. Markets served by the entity:****a. Number of locations**

Locations	Number
National (No. of States)	All states & Union Territories
International (No. of Countries)	70+ countries

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

22.68%

**c. A brief on types of customers**

The Company serves a wide range of customers – Public & Private Utilities, Industries, Transportation, and Infrastructure companies. These include EPCs (Engineering, Procurement & Construction) & OEMs (Original Equipment Manufacturer) operating in the above segments.

**IV. Employees****18. Details as at the end of Financial Year:****a. Employees and workers (including differently abled):**

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1	Permanent (D)	1706	1561	92%	145	8%
2	Other than permanent (E)	38	17	45%	21	55%
3	Total employees (D + E)	1744	1578	90%	166	10%
<b>WORKERS</b>						
4	Permanent (F)	561	557	99%	4	1%
5	Other than Permanent (G)	661	637	96%	24	4%
6	Total workers (F + G)	1222	1194	98%	28	2%

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

Sl. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY-ABLED EMPLOYEES</b>						
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
<b>DIFFERENTLY-ABLED WORKERS</b>						
4	Permanent (F)	9	8	89%	1	11%
5	Other than Permanent (G)	0	0	0	0	0
6	Total differently abled workers (F + G)	9	8	89%	1	11%

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

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	2	33.3%
Key Management Personnel	3 (includes one of the Board members)	NIL	NIL

**20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)**

	FY 2021-22 (Turnover rate in current FY Jan 2021 and Mar 2022)			FY 2020-21 (Turnover rate in previous FY Jan 2020 - Dec 2020)			FY 2019-20 (Turnover rate in the year prior to the previous FY Jan 2019 - Dec 2019)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	9.1%	13.8%	9.4%	4.8%	7.1%	5.0%	9.0%	14.6%	9.4%
Permanent Workers	4.1%	20.0%	4.2%	3.9%	0.0%	3.9%	0.3%	0.0%	0.3%

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

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

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	Hitachi Energy Ltd. (formerly known as Hitachi ABB Power Grids Ltd.)	Holding	75%	No

## VI. CSR Details

### 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) - Yes

(ii) Turnover / Total Income (in INR) : 4,950.90 Crores

(iii) Networth (in INR) : 1,132.39 Crores

## VII. Transparency and Disclosures Compliances

### 23. 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) (If Yes, then provide web link for grievance redress policy)	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year		Remarks	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year		Remarks
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Communities	Yes/ Internal	Nil	Nil		Nil	Nil	
Investors (other than shareholders)	NA	NA	NA		NA	NA	

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web link for grievance redress policy)	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year		Remarks	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year		Remarks
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Shareholders	Yes, but there is no specific policy	12	Nil	All complaints received had been reported	436	NIL	All complaints received had been reported
Employees and workers	Yes/ Internal	0	0		1	0	
Customers	Yes/ Internal	763	91		630	3	
Value Chain Partners	No	NA	NA		NA	NA	
Other (please specify)	No	NA	NA		NA	NA	

### 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sl. 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	Safe, healthy, and secure operations	Risk	Control of hazards and risks at workplace(s) by implementing controls effectively to ensure these hazards and risks do not cause harm to employees and workers.	Safety is our licence to operate. Fostering safe working environments to protect our people, preserve business continuity and operate effectively in our modern world. HSE Management system has been implemented as per ISO 14001 & 45001 and certified.	Negative
2	Climate change and carbon neutrality	Opportunity	Energy efficiency, Increase use of non-fossil fuel use of renewable energy, and efficient use of water and recycling of materials.	NA	Positive
3	Resource efficiency and circular economy	Opportunity	Reducing the use of resources through circular economy. Opportunity to minimize the use of water, materials, pollution, and waste in our operations and throughout the life cycle of our solutions through a circular mindset.	NA	Positive
4	Sustainable products, services, and solutions	Opportunity	Increase digitalization to extend the life cycle of our solutions.	NA	Positive
5	Responsible Sourcing	Risk	Managing sourcing of materials across the supply chain and comply with regulatory and customer requirements regarding the prohibition and restriction of substances, including hazardous substances and responsible sourcing of conflict minerals.	Integrating sustainable practices in to supply chain procedures  Follow the OECD (Organization for Economic Co-operation and Development) due diligence guidance and be involved in relevant trade associations in order to define and improve best practices and encourage responsible sourcing.	Negative
6	Well-being of employees	Opportunity	Health is top priority and needs to be lived everywhere, well beyond the walls of our home, offices, and factories. The Company provides training to all employees in resilience.  The Company prepares for the new norms by "powering the way it works". The Company prioritizes health and well-being in all sites, and make the healthy choice the easy choice.	NA	Positive
7	Diversity	Opportunity	The company believes in integrating diversity and inclusion into all our practices and policies and foster female acceleration through our Female Talent Development Program.  Hitachi Energy India sustainability 2030 targets include increasing female diversity from 5.8% to 8-10% by 2025.	NA	Positive
8	Human rights and labor conditions	Risk	Identification, evaluation and managing Human Rights risks in its operation and supply chain and its consequences.	Human Rights policy and control standard is in place to evaluate Human Rights risks at all levels of operations. Supplier Sustainability Development Program (SSDP) is a supplier engagement initiative, to uphold human rights and decent working conditions.	Negative

9	Integrity and anti-corruption	Risk	Hitachi Energy behaves in an ethical, legal and responsible way. Lack of adherence can have consequences i.e. reputational damage with the top line adverse effect; unattractive employer for top talent; regulatory fines and penalties etc.	Hitachi Energy has a very stringent policy on integrity that applies to all. The Hitachi Energy Code of Conduct provides a framework for employees and stakeholders to put business principles into practice with utmost integrity. The Company regularly evaluates culture of integrity, and noncompliance is strictly acted upon.	Negative
10	Developing our people	Opportunity	Cultivating life-long learning and creating inclusive learning opportunities, The Company fosters innovation.	NA	Positive

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes								
b. Has the policy been approved by the Board? (Yes/No)	Few of the policies have been approved by the Board and other Group policies are adopted by the Company								
c. Web Link of the Policies, if available	Please refer to the section on 'Links to the Company Policies and Programs' section at the end of Report								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, the policies are available to value chain partners through the Company's web page								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The following management systems have been implemented: ISO 9001: 2015 Quality Management System ISO 14001: 2015 Environment Management System ISO 45001: 2018 Occupational Health & Safety Management System								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	Sustainability 2030 is the new strategic plan for sustainability where the Company summarizes the main commitments to act and drive business in a sustainable way. Based around four pillars: Planet, People, Peace and Partnerships, our strategy draws from the UN's Sustainable Development Goals, where each pillar has corresponding targets that drive our business to contribute social value, environmental value and economic value.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	By 2030, the Company aims to achieve carbon-neutrality in its own operations. The Company is targeting to reducing carbon emissions by 50% along the value chain.  The Company has achieved the first-step target set out in its Sustainability 2030 plan – the use of 100% fossil-free electricity in our own operations. This will ease out > 50% of target to achieve carbon-neutrality in our own operations.								

### Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

Hitachi Energy has placed sustainability at the heart of its purpose. The Company constituted an Environment, Social and Governance (ESG) committee in the Board meeting held on October 22, 2021. The charter and objectives of this Committee were adopted by the Committee and Board of Directors during the financial period under review. The work under ESG was commenced during financial period under review.

Society must move towards a carbon-neutral energy future to cope with the challenges of climate change. Climate targets have been set across all continents and the ambition level is higher than ever before. Clean energy generation, network infrastructure and electrification of end-use sectors are crucial to decarbonization.

A sustainability plan aligned with a net-zero emissions future is integral to our business, to our growth and long-term success. Through Sustainability 2030, the Company has defined our strategy, which combines innovative solutions with a diverse and inclusive company culture, to contribute to a more sustainable society – aligned with the UN's Sustainable Development Goals (SDGs). Now is the time for all stakeholders to collaborate to solve the challenges of our time. Together with our customers and partners, the Company is co-creating and deploying flexible and resilient energy systems at scale, which are sustainable, efficient, safe and secure.

The Company's ESG targets are aligned with the four pillars of Sustainability 2030 plan: Planet, People, Peace and Partnerships.



ESG targets

<b>Environment</b>	<p><b>Planet</b></p> <p>Carbon-neutral in our own operations</p> <ul style="list-style-type: none"> <li>↓ 50% CO<sub>2</sub> emissions along the value chain</li> <li>↓ 50% waste disposed</li> <li>↓ 25% freshwater use</li> <li>↓ 25% hazardous substances and chemicals</li> </ul>
<b>Social, Governance</b>	<p><b>People</b></p> <ul style="list-style-type: none"> <li>• Zero harm</li> <li>• Top quartile health absence rates</li> <li>• Life-long learning culture</li> <li>• Increase female diversity from 5.8% to 8-10% by 2025</li> </ul> <p><b>Peace</b></p> <ul style="list-style-type: none"> <li>• Zero incidents of corruption and bribery</li> </ul> <p><b>Partnerships</b></p> <ul style="list-style-type: none"> <li>• Increase involvement in multi-stakeholder partnerships</li> </ul>

To achieve carbon-neutrality in our own operations, our first step is to invest in fossil-free electricity and energy efficiency, ensuring our facilities are as efficient as possible.

In December 2021, Hitachi Energy India has reached its first-step target to use 100% fossil-free electricity in its own operations, showing fast progress in achieving its Sustainability 2030 target of becoming carbon-neutral in own operations.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Nuguri Venu, Managing Director & CEO
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.	<p>Yes, Environmental, Social and Governance (ESG) Committee (constituted w.e.f. October 22, 2021)</p> <p>Composition of Committee:                  Ms. Nishi Vasudeva (DIN:03016991)                  Chairperson of Committee - Independent Directors (Non-Executive Director)</p> <p>Ms. Akila Krishnakumar (DIN:06629992)                  Member of Committee - Independent Directors (Non-Executive Director)</p> <p>Mr. Achim Michael Braun (DIN:08596097)                  Member of the Committee - Non-Executive Directors and Chairman of the Company</p> <p>Mr. Nuguri Venu (DIN :07032076)                  Member of Committee - Executive Director (Managing Director and CEO)</p>

**10. Details of Review of NGRBCs by the Company:**

Subject for review	Indicate whether review was undertaken by Director/ Committee of the Board /Any other Committee									Frequency (Annually/ Half yearly/ Quarterly / Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes, as may be applicable									On a need basis								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes, as may be applicable									On a need basis								

	P1	P2	P3	P4	P5	P6	P7	P8	P9
11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? Yes/No. If yes, provide name of agency.	No								

**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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									

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The entity does not have the financial or/human and technical resources available for the task (Yes/No)

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It is planned to be done in the next financial year (Yes/No)

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Any other reason (please specify)

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## SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

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

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#### **Integrity, transparency and accountability**

The Company’s Code of Conduct is the framework that explains the behavior the Company expects of every employee and stakeholder who work with it. The Company’s Code of Conduct provides a framework to put business principles into practice with utmost integrity. It is a breach of the Company Code of Conduct to fail to report a violation or suspected violation that employees know about or to refuse to co-operate with the investigation of a suspected violation. Each employee is responsible for ensuring that his or her conduct and the conduct of anyone reporting to the employee fully comply with all applicable laws and the Company Code of Conduct. The Company with guidance from Group has developed and implemented a systematic approach designed to prevent, detect and resolve any potential integrity concerns. This is supported by tools and processes and a zero-tolerance policy for any violations.

The Company’s integrity program has created an environment where all its employees can be open about identifying risks, asking questions, and raising concerns. This is in line with the Group using a systematic approach, designed to foster a culture of integrity and compliance. This is carried out through leadership and business accountability, supported by strong tools and processes, and a zero-tolerance policy for violations. As a part of the integrity program, employees of the Company are not just encouraged but are required to speak up and to report any suspected or observed violations of the law, the Company Code of Conduct, or if they are asked to do something that might be a violation. They are to report on any of their concerns initially to their direct management, country head of integrity, country human resources manager, or alternatively, through country specific business ethics hotline numbers and e-mail which is routed to the Office of Special Investigations (OSI), which is a corporate function within the Company. The Company’s OSI along with the integrity team then work towards investigation, and resolution of issues reported there-in. The Company has multiple reporting channels available to all its employees/ stakeholders and this includes a business ethics hotline and an email id that is available for employees to report integrity and compliance concerns or seek guidance. There is a web-based reporting system available for employee/stakeholders reporting (<http://pg.ethicspoint.com/>). All reports received are subjected to appropriate investigation, follow up, and brought to full closure; systematic process and tracking system and the Company enforces a rigorous non-retaliation policy. The Company’s Anti-Corruption Policy is stated explicitly in the Corporate Regulations on bribery and anti-corruption and emphasizes key components that are essential for ensuring strict compliance to anti-bribery laws but also refraining from corruption. The Company enforces a rigorous zero-tolerance policy against any involvement in bribery or corruption and has put in place robust policies to prevent bribery such as on gifts, entertainment and expenses, charitable contributions and representatives, and measures to ensure ethical supply chains.

The Company also ensures continuous compliance with competition and anti-trust laws. The Company Code of Conduct requires the Company to compete fairly, safeguard confidential information and be mindful of anti-trust risks. The Company’s behavior within its teams, with customers, other business partners and in the communities where it operates, are guided by its business principles - respect, responsibility and determination - in compliance with anti-trust requirements. The Anti-Trust Guidance Notes aim to address practical business situations and provide rules and guidance for all Company employees on how to conduct themselves in order to comply with anti-trust requirements. The Company has an Internal Complaints Committee for the prevention of sexual harassment as a part of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 that aims to provide protection against sexual harassment of women in the workplace and for prevention and redressal of complaints of sexual harassment and for matters connected there with or incidentals thereto. The Company has Internal Complaints Committee at each location and establishments (all locations where more than 10 women are employed).

## Essential indicators

### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1. (Familiarized at regular intervals, in each board meeting / leadership discussion as specified in the next column)	Independent Directors of the Company at the time of their appointment are familiarized on the Company's Core Values, Code of Conduct including the purpose and the business it operates in.  At each meeting of the Board/ Audit Committee, members also deliberate on key integrity matters that helps to reflect and focus on key strategies. As a part of Board, Audit, CSR and ESG, agenda members also discuss various sustainable initiatives of the Company, including regulatory and economic trends in the country. Executive and Non-Executive Directors being part of Hitachi Energy group, also undergo familiarization on various topics like integrity, sustainability, Human Rights, diversity and inclusion etc. at a group leadership level.  As a result of all the above awareness, strong brand and governance framework is put in place, which is helping us to become a more focused, successful and value-creating Company.	100%
	3	Ethics and Code of Conduct Anti-Bribery and Corruption (Basic) Anti-Bribery and Corruption (Advance)	50%
Key Managerial Personnel	1	HSE, employee well-being including behavioral and leadership skills, customers, integrity	100%
	3	Ethics and Code of Conduct Anti-Bribery and Corruption (Basic) Anti-Bribery and Corruption (Advance)	100%
Employees other than BOD and KMP	3	Ethics and Code of Conduct Anti-Bribery and Corruption (Basic) Anti-Bribery and Corruption (Advance)	98%
Workers	1	Ethics and Code of Conduct	63%

### 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies/ judicial institutions	Amount in INR	Brief of the case	Has an appeal been preferred? Yes/No
Penalty/Fine	NIL	NIL	NIL	NIL	NIL
Settlement	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
Non-monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the case	Has an appeal been preferred? Yes/No	
Imprisonment	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL

### 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.

Case details	Name of the regulatory/enforcement agencies/judicial institutions
NA	NA



**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.**

Hitachi Energy's Anti-corruption policy is stated explicitly in its Corporate Regulation PGR-LI-02 on anti-bribery and anti corruption and emphasizes key components which are essential to ensuring a strict compliance to anti-bribery laws but also refraining from corruption because it's the right thing to do. Anti-corruption policy : <https://www.hitachienergy.com/about-us/integrity/commitment>

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

	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

**6. Details of complaints with regard to conflict of interest:**

	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year		1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issue of conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issue of conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

**7. Provide 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

### Leadership Indicators

**1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

The Supplier Sustainability Development Program (SSDP) is supplier engagement to uphold human rights and decent working conditions, ensure safe and environmentally sound operations and comply with relevant regulatory requirements in supply chain. Sustainable and compliant suppliers reduce risk of disruption and negative brand impact. Additionally, suppliers experience operational benefits like improved on-time delivery, reduced machine breakdown, increased productivity and overall reduction in cost of manufacturing, thus becoming more efficient and effective".

During current FY 2021-22, the Company has trained and assessed 14 high risk supplier partners on SSDP. Additionally, during this period, The Company has trained and developed 7 of our internal people on SSDP, who have been certified by Bureau Veritas as a lead assessor and are able to conduct the supplier assessments independently.

Total number of awareness programmes held	Topics / principles covered under the training	% age of value chain partners covered (by value of business done with such partners) under the awareness programmes
As above	As above	-

**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.**

Yes, the Company has in place a Code of Conduct for Directors and Senior Management and Company level Code of Conduct and Related party transaction policy to report any conflict of interest beforehand. Further, conflict of interest can also be flagged by any person through whistle blower mechanism.

There is Integrity Team to handle any instance of conflict of interest reported related to any employee, Directors and Management and outsiders.

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

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The Company strive to have a life-cycle perspective when managing environmental aspects and impact. This means looking beyond the environmental impact from our own operations to include our supply chain, the use of our products, and the end of their lives. Environmental considerations are constantly made to reduce environmental impact and risks over the lifespan of our solutions. Life-cycle Assessments (LCAs) and risks as well as collaboration with and feedback from customers are used as input for improving the environmental performance of our products, systems, and services.

The most recent HVDC light technology reduces climate impact by 67% compared to previous generations, thanks to lower power losses. Reduced risk of environmental incidents through dry type transformers and bushings, minimizing contamination and fire risks. Reduced risk of environmental incidents thanks to biodegradable ester fluids in transformers.

For decades, sulfur hexafluoride (SF6) has been the norm in the electrification industry due to its excellent insulation and switching capabilities. However, it has high Global Warming Potential (GWP), and its life-cycle management requires careful handling. As part of our commitment to reduce emissions and enable a sustainable energy future, Hitachi Energy have invested in eco-efficient alternative solutions like EconiQ™ and enhanced SF6 life-cycle management striving for zero leaks. The Company will improve SF6 management through the implementation of a new SF6 management standard.

### 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.

The Company's R&D activities are carried out in the global R&D and technology centers as well as R&D embedded in the local businesses, leveraging its local competence for creating social, environmental, and economic value, globally. Development of new products, features, localized products, and solutions secures as well as creates additional revenue with increased number of customer engagements and installed bases.

Earlier this year, Hitachi Energy launched EconiQ™ – eco-efficient portfolio which delivers a superior environmental performance compared to conventional solutions. The EconiQ high-voltage offering is proven to significantly reduce the carbon footprint throughout the total life cycle.

The aim is to reduce the environmental impact, increase energy efficiency, and future-proof technology investments. The SF6-free portfolio will grow over time to include:

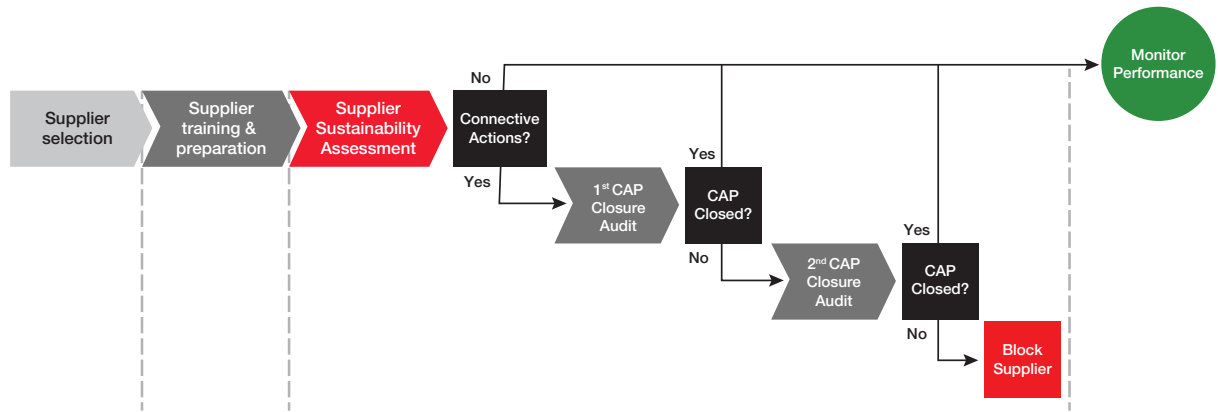
- **Products** which are superior in environmental performance over comparable conventional products
- **Services** that will transform existing and future infrastructure to reduce environmental impact
- **Solutions** which combine products and services that result in total superior environmental performance

#### 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes. The Company has set procedures to select suppliers, contractors and service providers based on their competence and capability to undertake tasks and in compliance with the Hitachi Energy Supplier Code of Conduct which includes health & safety, environment, ethics & integrity, human rights, working conditions among others. As a guiding principle the Company prefers to do business with compliant and sustainable suppliers. The Company has set procedures in place for sustainable transportation as well. At the time of qualification to become Company's supplier, the vendor is assessed across sustainability matrix.

The Company has implemented a Supplier Sustainability Development Program (SSDP) as part of a comprehensive sustainable sourcing initiative. The goal of the SSDP is to ensure compliance with the Supplier Code of Conduct, to support continual improvement of the sustainability performance of suppliers and to provide customers with a highly competitive and sustainable supply chain.

**Supplier sustainability development program – overview**



Hitachi Energy Power Transformer sources the commodity raw material from reputed and established global and local suppliers which are engaged in long-term business partnership, ensuring the sustainability of the raw materials. Hitachi Energy Transformer follows global standards 1LAA 000048 and instructions for approving the suppliers for control of hazardous substances / material and follow corresponding safety guideline. The Company has established process of securing the yearly volume with close follow up by global commodity supply chain organization across globe.

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

Not available

**3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Hitachi Energy manufactures the transformer using biodegradable and environmentally friendly material which are recyclable, reusable or disposable with specific processes. Solid insulation made from naturally occurring cellulose which are bio-degradable as well as recyclable. Electrical magnetic steel is recycled in multiple electrical applications in industry. Manufacturing processes used for manufacturing transformers are also designed to be safe and environmentally friendly. At the end of the life of the transformer, qualified 3<sup>rd</sup> party agencies are involved in handling the transformer components and ensuring the laid down recycling / disposal treatments.

**4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’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.**

Hitachi Energy is not in business of producing plastic packaging material thus Extended Producer Responsibility (EPR) requirements are not applicable. However, whatever the plastic waste that gets generated during manufacturing is collected and disposed of to state pollution control board approved recyclers.

**Leadership Indicators**

**1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

To understand the environmental impact of the products over their life-cycle, Hitachi Energy has performed LCAs for most of our major products. Over the last years, the Company has also done LCAs for our more complex systems such as HVDC and FACTS, and the Company is looking into quantifying the environmental impact and potential benefits from the service solutions. The Company internal capabilities to do LCAs as per ISO 14040 and ISO 14044 on request from the business units and from its customers.

**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.**

Life-cycle Assessments (LCAs) and risks as well as collaboration with and feedback from customers are used as input for improving the environmental performance of our products, systems, and services.



Manufacturing processes are environment friendly, however the LCA assessment are being done internally, impacts will be reviewed for social and environmental concerns.

**3. Percentage of recycled or reused input material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Hitachi Energy manufactures and delivers transformers to customers and for them the transformers are large capital assets and high level of product reliability requirements. Hence the raw material used are prime grade, complying with the guaranteed parameters, hence the Company has limited scope of use of recycle material. However, the Company makes strong efforts to ensure minimum waste of raw material during production.

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

Disclosure as above

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

Not available

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

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**People well-being**

The Company continues to attract top talent due to its inclusive culture and the immense opportunities available for nurturing their talent. The people strategy is aligned with the Company's overall ambition to be a pioneering technology leader. This requires a stable work environment in a growing market by maximizing the potential of the Company's workforce. To ensure that the Company continues to attract top talent, multiple employer branding initiatives were launched not limiting to career fairs, recruitment drives, university connect programmes and internship opportunities. During the year, the Company has consistently set a clear path to learn and adapt to perform better in the changing market situation with its enhanced performance management and talent strategy, focusing on building a healthy pipeline by attracting, assessing, and developing talent. In addition, persistent attention to provide an inclusive environment to promote diversity in gender, age and culture, including opportunities for global mobility, also form a part of the proactive plan to manage talent in key function areas. The Company's competency has been aligned with the business strategy. The Company recognized exceptional performance and behavior in line with organizational values through its rewards and recognition programme. There was continuous focus on improving the diversity in the workforce throughout the year. A diversity outreach programme was also launched to encourage rehiring of performers who may have left their career for various reasons. The entire approach to well-being was based on increasing diversity, promoting inclusion and recognizing performance. Multiple camps for Covid vaccination were organized in different office locations and factories to facilitate easy access for employees and employee children. Annual medical check-ups and camps were set up through the year to promote physical well-being.

**Career development and opportunities**

Keeping a strong focus on talent pipeline development, the Company has embarked on a 'Develop & Grow' journey this year, with the objective of enabling a powerful talent ecosystem that helps build and develop capabilities for the future. The Company is building a new paradigm of 'hybrid jobs' that combine technology, domain and industry experience. This enables it to attract skillsets that complement our growth paradigm. The Company also reskilling our workforce through structured learning paths and offering them a new-age skill identity through various talent assessments & customized learning to bridge skill gaps. The Company continues to enable internal talent growth and development by offering open dialogues, having regular performance and development reviews including structured feedback, knowledge transfer and other opportunities for enriching their career. Talent re-deployment has been encouraged by providing avenues for internal mobility through talent rotation when any new opportunity of hire arises. Adding to this, opportunities to work on different projects locally and across geographies / businesses have also been provided.

The Company encourages its employees to progress within the organization as opportunities arise. The organization has a strong talent management process to evaluate the best of talent, encourage and provide career development opportunities for promising employees through individual career development plans. Developing leaders internally continues to be a priority for the Company & with that in mind, succession plans are developed for all critical roles in the organization post talent risk assessments and engagement study.

## Essential indicators

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

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number	% (D / A)	Number (E)	% (E / A)	Number	% (F / A)
<b>Permanent employees</b>											
Male	1561	1561	100%	1561	100%		100%		100%		Option not extended due to pandemic
Female	145	145	100%	145	100%		100%		100%		
<b>Total</b>	<b>1706</b>	<b>1706</b>	<b>100%</b>	<b>1706</b>	<b>100%</b>		<b>100%</b>		<b>100%</b>		
<b>Other than Permanent employees</b>											
Male	17	17	100%	17	100%		100%		100%		Option not extended due to pandemic
Female	21	21	100%	21	100%		100%		100%		
<b>Total</b>	<b>38</b>	<b>38</b>	<b>100%</b>	<b>38</b>	<b>100%</b>		<b>100%</b>		<b>100%</b>		

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

Category	Total (A)	% of workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number	% (D / A)	Number (E)	% (E / A)	Number	% (F / A)
<b>Permanent employees</b>											
Male	557		100%	557	100%		100%		100%		Option not extended due to pandemic
Female	4		100%	4	100%		100%		100%		
<b>Total</b>	<b>561</b>		<b>100%</b>	<b>561</b>			<b>100%</b>		<b>100%</b>		
<b>Other than Permanent employees</b>											
Male	637		100%	637	100%		100%		100%		Option not extended due to pandemic
Female	24		100%	24	100%		100%		100%		
<b>Total</b>	<b>661</b>		<b>100%</b>	<b>661</b>			<b>100%</b>		<b>100%</b>		

### 2. Details of retirement benefits for Current Financial Year and Previous Financial Year

Benefits	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year			1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year		
	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%	100%	100%	100%	100%
Gratuity	100%	100%	100%	100%	100%	100%
ESI	100%	100%	100%	100%	100%	100%
Others-please specify	-	-	-	-	-	-

### 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 premises / offices of the entity accessible to differently-abled employees and workers

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

The Company encourages diversity through global policy of Diversity 360 which involves inclusion. The same is specified in our policies and the weblink is : <http://search.abb.com/library/Download.aspx?DocumentID=9AKK107046A6244&LanguageCode=en&DocumentPartId=&Action=Launch>

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

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	100%	100%
Female	100%	100%	100%	100%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

100% of the employees who have gone on paternity leave have resumed work.

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

Yes.

There are multiple ways, the employees can report their concerns / grievances. The employees may use the Ethics helpline/ dedicated e-mail id, inform the immediate reporting manager / HR representative for the function or the country Integrity Officer, Internal Committee - Prevention of Sexual Harrassment (POSH) etc. The grievances received will be thoroughly examined and enquires will be done in the given timeframe to resolve the same.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent workers	Yes, in case of any grievance, employees can reach out to the location POSH committee or can raise it through the following global portal: <a href="https://www.hitachienergy.com/about-us/integrity/reporting-channels/how-do-i-report">https://www.hitachienergy.com/about-us/integrity/reporting-channels/how-do-i-report</a>
Other than permanent workers	
Permanent employees	
Other than permanent employees	

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

Category	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022			1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category (C)	No of employees/ workers in respective category, who are part of association(s) or Union (D)	% (C/D)
Total permanent employees	0	0	0	0	0	0
-Male	0	0	0	0	0	0
-Female	0	0	0	0	0	0
Total permanent workers	561	561	100	580	580	100
-Male	557	557	100	574	574	100
-Female	4	4	100	6	6	100

**8. Details of training given to employees and workers:**

Yes, all the company employees underwent training on health & safety measures.

- Skill upgradation programs are conducted on a periodical basis.
- Previous financial year over 15,000 manhours of training imparted to permanent employees and 1000 manhours of training was imparted to permanent women employees.
- The casual/contractual employees are subjected to skill-based training depending on the work and job roles. Training matrix is designed based on their job risk profiles. As and when required, refresher trainings are provided to upgrade skills based on any changes in the work/job profiles of employees.

Category	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year					1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year				
	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)
<b>Employees</b>										
Male	1578	-	100	1188	75.3	1575	-	100	1269	80.5
Female	166	-	100	129	77.7	130	-	100	106	81.5
Total	1744	-	100	1317	75.5	1705	-	100	1375	80.6
<b>Workers</b>										
Male	557	-	100	343	61.7	574	-	100	#	-
Female	4	-	100	4	100	6	-	100	#	-
Total	561	-	100	347	61.8	580	-	100	-	-

\*Regular programs on health & safety measures are conducted for all employees and workers.



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

Category	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year			1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year		
	Total (A)	No. (B)	% (B/A)	Total (C)	No (D)	% (D/C)
<b>Employees</b>						
Male	1846	1409	76.33%	1689	1444	85.49%
Female	179	106	59.22%	138	119	86.23%
Total	2025	1515	74.81%	1827	1563	85.55%
<b>Workers</b>						
Male	Increment is based on agreeable terms with location Unions					
Female						
Total						

Note : above numbers are based on the Annual salary revision eligibility of the financial year.

At Hitachi Energy, Non-Management Staff (NMS) are also eligible for meritorious increment /promotion according to practice of respective location in addition to normal increment. This practice differs based on the location and terms agreed with Union. Details given below :

- Peenya** : Appraisal period - April to March: Each workman eligible for promotion after every 3<sup>rd</sup> year
- Mysore** : Appraisal period - January to December: All NMS eligible for promotion once in 4 years
- Maneja** : Appraisal period - April to March: 35% of total strength eligible for promotion & 15% for increment every year

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).  
If yes, the coverage such system?

Yes, occupational health & safety management system has been implemented as per ISO 45001:2018 and certified.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Activity Based Risk Assessment (ABRA) is conducted for all activities which present a risk to HSE. As part of ABRA, hazards are identified for the activity and risks are assessed. All hazards are reported by the Company and contractor employees to their line managers and entered in the global HSE/SA MIS system.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

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

Safety Incident / Number	Category	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0.1
	Workers	0.3	0.09
Total recordable work-related injuries	Employees	1	1
	Workers	10	8
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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

As an organization, the Company has established a very strong focus on safety and have helped our employees stay healthy – both, physically and mentally. Targets for 2030 include zero harm – through rigorous risk assessments and

training – and top-quartile health absence rates. The following measures were taken but not limited to the following to ensure a safe and healthy workplace:

- HSE Management system has been implemented as per ISO 14001 & 45001 and continual improvements are done.
- Activity based risk assessment is conducted for all activities which present a risk to HSE. Activity Based Risk Assessments (ABRA) are reviewed when there is an identified control failure (e.g., incident, audit or inspection or should significant change occur (e.g., to the task, process, substances, resources, or technology) that may affect the hazards and risks.
- HSE training - training plans are developed based on the assessment of the current level of competence and awareness. Trainings are in consideration of individual capabilities and cultural aspects. All trainings shall take into account the differing levels of responsibility, risks, ability, language skills and literacy. All relevant staff and persons working on behalf of the Company shall participate in trainings as defined in the training plan.
- Hazards and control measures are communicated before start of the activity and monitored to ensure that controls are implemented. All hazards are reported by the Company and contractor employees to their line managers and entered in the global HSE/SA MIS system. Responsible managers are aware of their top five risks and, considering these in conjunction with their top five incident categories, develop appropriate campaigns or action plans for reducing the risks and managing those areas for improvement.
- All machinery and equipment used by company personnel and contractors for work being performed by or on behalf of company must be suitable and fit for the intended purpose and use. The frequency for inspection of machinery and equipment is determined by assessment of the risks in the use of that equipment, the environment in which the equipment is used or operates and the manufacturers' recommended schedule.
- Internal & external audits are carried out to check the adequacy of systems, procedures, and control are implemented.
- Management reviews the status of the HSE Management System with regard to suitability, effectiveness and adequacy and opportunities for improvement

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

	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year			1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year		
	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		1	0	
Health & safety	0	0		0	0	

### 14. Assessments for the year:

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

### 15. Provide 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 & safety practices and working conditions.

Many corrective actions but not limited to following were taken to address safety related incidents and on significant risks/ concerns arising from assessments of health & safety practices and working conditions.

- All incidents are investigated as per the classification and corrective actions implemented to prevent its recurrence
- Reintroduction of the LSR in all BUs through a marketing driven campaign to prevent fatal and serious injuries
- All activities are assessed with a risk assessment process and launch of Activity Based Risk Assessment methodology
- Employees exposed to mental stress, particularly during Covid-19 lockdown Employees trained on Health Resilience
- Training of employees and workers to enhance their knowledge and consultation with employees to increase their participation in risk management

### Leadership indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

(A) Employees – Yes

(B) Workers – Yes

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

Periodic compliance audit of The Company's value chain partners is done for ensuring the statutory dues paid properly.

3. Provide 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 are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

None of the employee /workers have suffered high consequence work-related injury / ill-health / fatalities in current and previous financial year.

	Total Number 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	
	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year
Employee	NIL	NIL	NIL	NIL
Workers	NIL	NIL	NIL	NIL

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

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 practice	100 %
Working condition	100 %

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.

The responsible manager ensure compliance regarding all legal country, state or local regulations. Value chain partners/ contractor workers are trained and authorized to perform the assigned task and ensured each worker adheres to all applicable HSE rules and site procedures of the Company.

## PRINCIPLE 4 : Businesses should respect the interests of and be responsive to all its stakeholders

### Essential indicators

Sustainability performance forms an important basis for the Company's dialogue with its stakeholders. In recent years, Group has been carrying out surveys with stakeholders that impact the Company's sustainability strategy and priorities. Consultations with both external and internal stakeholders were instrumental in developing the Group sustainability objectives for 2014-2020.

A comprehensive dialogue with key stakeholders and its inputs and feedback enabled Hitachi Energy to revisit its materiality matrix and developed the next level 2030 objectives. The Sustainability 2030 objectives are established by the Group and the legal entity has incorporated the same along with the local objectives



The Company had dialogues with various Government entities - central and state with regards to policy and presentation on the Company's innovative sustainable solutions such as electric vehicle charging and "Make-in-India", smart cities, sustainable mobility solutions, energy efficiency, efficiency upgradation in the railways sector, renewable energy, growth developments & technology keeping the climate change, job skilling, etc. The Company also carried out its Supplier Sustainable Development Program (SSDP) across chosen vendors.

The Supplier Sustainability Development Program (SSDP) is supplier engagement to uphold human rights and decent working conditions, ensure safe and environmentally sound operations and comply with relevant regulatory requirements in supply chain. Sustainable and compliant suppliers reduce risk of disruption and negative brand impact. Additionally, suppliers experience operational benefits like improved on-time delivery, reduced machine breakdown, increased productivity and overall reduction in cost of manufacturing, thus becoming more efficient and effective"

During current FY 2021-22, the Company has trained and assessed 14 supplier partners on SSDP. Additionally, during this period, the Company has trained and developed 7 of our internal people on SSDP, who have been certified by Bureau Veritas as a lead assessor and are able to conduct the supplier assessments independently.

The Company during the period, also organized several customer engagements events to bring the Company's technologies closer to the customers. The Company organized multiple customers connect programs on HSE/SA, to hear to the voice of the customer to further improve the performance and to include the inputs of the customer into the strategy of the Company.

## 1. Describe the processes for identifying key stakeholder groups of the entity.

Leadership teams across businesses and functions review various audiences - primary to tertiary - to identify

- those that the Company has most interactions and exchanges
- those whom the Company impacts economically and socially, and vice versa
- with whom the Company creates value and enable the energy transition
- communities and those whom the Company can support

These groups have been classified broadly as our key stakeholders, as listed below:

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

Stakeholder group	Whether identified as vulnerable & marginalized group (Yes/No)	Channels of communication (E-mail, SMS, newspaper, pamphlets, advertisement, community meetings, notice board, website), other	Frequency of engagement (Annually/Half yearly/ Quarterly/Others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
<b>Business</b>				
Customers	No	E-mails Meetings, Trainings Webinars	Ad hoc	Knowledge sharing Presentation of innovative sustainable solutions
Suppliers	No	Development programs Meetings & E-mails	Annual Ongoing	Supplier Sustainable Development program
Investors	No	E-mail, newspaper advertisement, Boards' report, quarterly financials, annual financials, website, analyst call, annual general meeting	Annual, quarterly and on a need basis	Welfare of investors by management of business operations in best possible way, timely identification of risks and its mitigation and imbibed with principles of integrity and sustainability in all aspects of the Company Business performance Annual general meeting
Employees	No	HSE & sustainability programs & trainings townhalls, employee welfare programs E-mails	Ongoing	Communication & feedback
Competitors	No	Seminars Industry events & Associations	Event-based	Networking & knowledge sharing

<b>Government</b>				
Government and regulators	No	Meetings	Event-based	Presentation of innovative sustainable solutions
Legislators and the law	No	Meetings	Event-based	Compliances
Trade bodies	No	Seminars & conferences	Event-based	Networking & knowledge sharing
<b>Civil society</b>				
International organizations	No	Meetings	Ad hoc	Partner for sustainability programs
Local communities	Yes	Community meetings	Ongoing	Engagement for CSR activities
Academia and scientific community	No	Seminars Meetings, Campus connect programs	Ad hoc	R&D and educational partnerships
Media	No	Meetings, Press Release, and events	Quarterly	Thought leadership, communication & branding
NGOs and civil society organizations, trade unions	No	Interactions & meetings	Ad hoc	Implementation of CSR projects employee welfare

### Leadership indicators

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

Investors - Annual general meeting and analyst calls

- 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 inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Not applicable

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups**

Yes. The Company has identified vulnerable/ marginalized stakeholder groups and providing support to the beneficiaries through CSR projects

## PRINCIPLE 5 : Businesses should respect and promote human rights

The Company's values are rooted in respect, including respect for the human rights of every single person who works for or with us. Respecting and promoting human rights in our business activities is one of our priorities in our community's impact area. The Group recognizes that respect for human rights is a basic requirement and that failure to do so can cause harm to people and adversely affect business, with potential legal, financial and reputational consequences.

The Company follows its Human Rights Policy and a Social Policy to respect human rights and to avoid causing or contributing to adverse human rights impacts through own activities. The policy draws on the Universal Declaration of human rights, the International Labour Organization (ILO) core conventions on labor standards, United Nations Global Compact (UNGC), The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, UN Sustainable Development Goals (SDG) and the Social Accountability (SA) 8000 standard. All employees have access to the human rights e-learning, which describes the human rights principles and risks for the Company. The Company has made a provision, employees shall report any human rights risk or violation that might occur during projects, services and operations of the Company. Human Rights performance are being monitored based on relevant indicators to evaluate and to prevent human rights impacts in all of the Company's operations and workplaces. The Company's Human Rights and Social Policies specifically refer to the ILO core conventions as the minimum to be achieved, with respect to non-discrimination, prohibition of child and enforced labor, freedom of association and the right to engage in collective bargaining. The United Nations (UN) guiding principles are central to the Company's human rights training. A global awareness-raising program for all focuses on understanding how the Company can potentially impact human rights, the importance of due diligence and how the Company is embedding human rights in business processes, a global capacity building program is under way.

During the year under review, the Company has not received any grievances related to human rights. The Company, in line with the Group policy, seeks to raise its standards, and increase its understanding, and mitigation of human rights risks.

### Essential indicators

#### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year		1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	No. of employees/ workers covered (D)	% (C/D)
<b>Employees</b>					
Permanent	Employees were given induction training on policies before starting their work				
Other than permanent					
Total employees	All the employees were covered				
<b>Workers</b>					
Permanent	Workers were given induction training on policies before starting their work				
Other than permanent					
Total workers	All the employees were covered				

#### 2. Details of minimum wages paid to employees and workers, in the following format:

Category	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year				1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year					
	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)
<b>Employees</b>										
<b>Permanent</b>										
Male	1706 - Minimum wages paid, as per the respective State Statutory provisions and same is followed for female employees									
Female										
<b>Other than permanent</b>										
Male	38 - Minimum wages paid, as per the respective State Statutory provisions and same is followed for female employees									
Female										
<b>Workers</b>										
<b>Permanent</b>										
Male	561 - Minimum wages paid, as per the respective State Statutory provisions and same is followed for female employees									
Female										
<b>Other than permanent</b>										
Male	661 - Minimum wages paid, as per the respective State Statutory provisions and same is followed for female employees									

#### 3. Details of remuneration / salary / wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary / wages of respective category	Number	Median remuneration/ salary / wages of respective category
Board of Directors (BOD)	4	42,80,000	0	-
Key Managerial Personnel (KMP)	3	1,50,83,360	0	-
Employees other than BOD and KMP	1,558	12,68,901	145	10,04,530
Workers*	557	11,21,536	4	23,43,472

Workers\* - Remuneration data of workers is maintained separately by each location and depends on collective bargaining agreement. Hence remuneration comparison cannot be determined.

#### 4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No) - Yes

#### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

- The Company has Internal committees to redress various grievances.



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

	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year			1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year		
	Filed during year	Pending resolution at the end of the year	Remarks	Filed during year	Pending resolution at the end of the year	Remarks
Sexual harassment	0	0		1	0	
Discrimination at workplace	0	0		0	0	
Child labour	0	0		0	0	
Forced labour/Involuntary labour	0	0		0	0	

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

Policies are made and awareness been given to employees on the same.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No).**

Yes

**9. Assessments for the year:**

	% of your 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-please specify	-

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

Not applicable

**Leadership indicators****1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**

No such incidents/requirements so far

**2. Details of the scope and coverage of any human rights due-diligence conducted.****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?**

Provisions are available

**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%
Discrimination at workplace	100%
Child labour	100%
Forced labour/Involuntary labour	100%
Wages	100%
Others-please specify	-

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

No such risk / concerns

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

Hitachi Energy is a global technology leader that is advancing a sustainable energy future for all. The Company serves customers in the utility, industry and infrastructure sectors with innovative solutions and services across the value chain. Together with customers and partners, the Company pioneers technologies and enable the digital transformation required to accelerate the energy transition towards a carbon-neutral future. The Company is advancing the world's energy system to become more sustainable, flexible and secure whilst balancing social, environmental and economic value.

To meet the changing needs of a growing population and limit global warming to 1.5 degrees, large-scale volumes of variable energy generated from renewable sources need to be efficiently integrated into the world's energy system. To facilitate the deployment of technology at the scale and speed required, The Company believes that it must adapt and adopt new business models and collaborate with all stakeholders to support sustainable, flexible and secure energy systems such as power grids. As more renewable power sources join to gradually replace carbon-based energy, the Company needs to ensure grids remain resilient, and become more flexible as they adapt to fast-changing demands and increasing decentralization. Only through effective digitalization of all elements of the energy value chain can this be delivered. Making energy more accessible, affordable, and sustainable also needs better energy efficiency at all stages of distribution and a reduced environmental footprint throughout the life cycle of all components.

Sustainability 2030 is new strategic plan for sustainability where the Company summarizes the main commitments to act and drive business in a sustainable way. Based around four pillars: Planet, People, Peace and Partnerships.

Hitachi Energy India understands that ESG factors have become the norm to build resilient and successful businesses. Our ESG targets are aligned with the four pillars of Sustainability 2030 plan : Planet, People, Peace and Partnerships. Our strategy draws from the UN's Sustainable Development Goals, where each pillar has corresponding targets that drive our business to contribute social value, environmental value and economic value.

Together with customers, partners, and key stakeholders, the Company is contributing to accelerating the energy transition to ensure a sustainable energy future for all.

### Essential indicators

#### 1. Details of total energy consumption (in Giga Joules) and energy intensity, in the following format:

Parameter	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year
Total electricity consumption (A)	2,14,957	1,56,480
Total fuel consumption (B)*	1,31,28,309	49,26,942
Energy consumption through other sources (C)	26	21
Total energy consumption (A+B+C)	1,33,43,292	50,83,443
<b>Energy intensity per Rupee of turnover (Total energy consumption/turnover in Rupees)</b>	0.00026	0.00014
<b>Energy intensity (optional) – the relevant metric may be selected by the entity</b>		

\* Fuel consumption does not include the fuels consumed from fleet operations.

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, GHG (Green House Gas) emission assessment done by DNV Business Assurance India Private Limited in 2021.

#### 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.

Not applicable

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	2,27,099	1,80,026
(ii) Groundwater	2,51,160	1,69,572
(iii) Third party water	1,44,27	11,441
(iv) Sea water/desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	4,92,686	3,61,039
Total volume of water consumption (in kilolitres)	2,90,479	2,12,447
Water intensity per Rupee of turnover <b>(Water consumed / turnover)</b>	0.0000059	0.0000062
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity		

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

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

Yes. Company has taken various initiatives during the year for water conservation to reduce freshwater consumption and installed efficient wastewater treatment systems at its manufacturing sites. In line with Zero Liquid discharge approach, our many units are recycling treated wastewater for gardening as well as flushing purpose. The focus is to reduce wastewater economically and produce clean water that is suitable for reuse (e.g., irrigation), thereby saving money and being beneficial to the environment.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year
NOx	As per applicable	Complied	Complied
SOx	CPCB / SPCB standards	Complied	Complied
Particulate matter (PM)		Complied	Complied
Persistent organic pollutants (POP)		Not applicable	
Volatile organic compounds (VOC)		Not applicable	
Hazardous air pollutant (HAP)		Not applicable	
Others – please specify			

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, environment assessment done by Pollution Control Board approved laboratory in respective states.

**6. Provide details of Green House gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year
Total Scope 1 emissions <b>(Break-up of the GHG into CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>, if available)</b>	Metric tonnes of CO <sub>2</sub> equivalent	31,338	21,107
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	23,763	23,484
<b>Total Scope 1 and Scope 2 emissions per Rupee of turnover</b>		0.0000011	0.0000013
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity			

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, GHG (Green House Gas) emission assessment done by DNV in 2021

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

By 2030, the Company aims to achieve carbon-neutrality in our own operations. The Company is targeting to reducing carbon emissions by 50% along the value chain. And reducing waste – along with our use of precious resources, like water.

To achieve carbon-neutrality in our own operations, our first step is to invest in fossil-free electricity and energy efficiency, ensuring our facilities are as efficient as possible.

In December 2021, the company has reached its first step target to use 100% fossil-free electricity in its own operations, showing fast progress in achieving its Sustainability 2030 target of becoming carbon-neutral in own operations. By using 100% fossil-free electricity in our own operations, the Company has reduced our CO<sub>2</sub> equivalent emissions by over 50% compared to 2019. The Company did this through projects generating own fossil-free electricity, such as installing solar roof panels, switching electricity contracts to green tariffs, buying International Renewable Energy Certificates (IRECs), and signing Power Purchase Agreements (PPA).

The company is continuing to invest in its journey towards carbon-neutrality by further increasing energy efficiency, as well as electrifying its own operations.

The Company's ambition extends beyond carbon-neutrality. The Company is working to reduce waste – along with our consumption of precious resources, like freshwater. The Company will support SDG 12 (Responsible Consumption and Production) and SDG 6 (Clean Water and Sanitation). The Company will minimize the use of water, materials, pollution, and waste in our operations and throughout the life cycle of our solutions through a circular mindset.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	100.2	46
E-waste (B)	15.69	0.01
Bio-medical waste (C)	0.44	1.23
Construction and demolition waste (D)	0.01	0.00
Battery waste (E)	3.19	0.00
Radioactive waste (F)	0.00	0.00
Other hazardous waste. Please specify, if any. (G) (Used Oil, Resin, oily quartz & papers, glass wool, discarded containers)	373	273
Other non-hazardous waste generated (H). Please specify, if any. (Ferrous - MS & SS) & Non-ferrous (Copper, Aluminum) Wood waste & dust (Break-up by composition i.e. by materials relevant to the sector)	7,479	6,805
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>7,972</b>	<b>7,125</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	0	0
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	0	0
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	70	40
(ii) Landfilling	3,410	2,605
(iii) Other disposal operations	4,491	4,479
<b>Total</b>	<b>7,971</b>	<b>7,124</b>

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, Periodic audits are done by DNV as per ISO 14001: 2015

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Managing waste from our own operations has been a company's priority and has been continuously improved through the company management system standard for waste management.

Integration of sustainability considerations in Research & Development (R&D) gate models to ensure that Health, Safety, and Environment are considered and understood when assessing R&D projects.

Reducing generation of waste and reducing the wastes that is sent for final disposal remains the Company's focal area. Waste reduction is incorporated in the product design stage to ensure waste minimization in manufacturing process. Source segregation of waste, in-house recycling of packaging materials and reuse continues to add more value to waste and reduces the quantum of non-recyclable wastes that are sent to landfill. All wastes are sent to relevant Pollution Control Board (PCB) authorized recyclers.

**10. 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, please specify details in the following format:**

Not applicable

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Not applicable

**12. 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 (Y/N). If not, provide details of all such non-compliances, in the following format:**

Yes, the company has complied with the applicable environmental law/ regulations/ guidelines in India

#### Leadership indicators

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year
<b>From renewable sources</b>		
Total electricity consumption (A) #	1,07,218	48,931
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>1,07,218</b>	<b>48,931</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	1,07,739	1,07,548
Total fuel consumption (E)*	1,31,28,309	49,25,715
Energy consumption through other sources (F)	26	20
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>1,32,36,074</b>	<b>50,34,510</b>

# Total electricity consumption from renewable source consists of renewable energy from solar power, PPAs with third party & purchasing of International Renewable Energy Certificates (I-RECs)

\*Fuel consumption does not include the fuels consumed from fleet operations.

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, GHG (Green House Gas) emission assessment done by DNV Business Assurance India Private Limited in 2021.

**2. Provide the following details related to water discharged:**

Parameter	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	23,915	18,239
- No treatment	0	0
- With treatment – please specify level of treatment*	23,915	18,239
(ii) To Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) To Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
- No treatment	0	0
- With treatment – please specify level of treatment		
(v) Others	1,78,291	1,30,353
- No treatment	0	-
- With treatment – please specify level of treatment*	1,78,291	1,30,353
<b>Total water discharged (in kilolitres)</b>	<b>2,02,206</b>	<b>1,48,592</b>

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 treatment is done before discharge of water to meet quality requirements as per conditions of consent to operate.

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

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area :

- 1) Maneja Village, Vadodara (Semi-critical)\*
- 2) Peenya Industrial Area, Bengaluru Urban (Over exploited)\*

(ii) Nature of operations :

- 1) Manufacturing of transformers, bushings & breakers
- 2) Manufacturing of control panels, sub station automation system & grid automation products

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	2,20,561	1,46,513
(iii) Third party water	565.6	480.6
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>2,21,126.6</b>	<b>1,46,993.6</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>1,35,050</b>	<b>1,04,411.6</b>
<b>Water intensity per Rupee of turnover (Water consumed / turnover)</b>	-	-
<b>Water intensity (optional) – the relevant metric may be selected by the entity</b>	-	-
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	11,946	7,147
- No treatment	0	0
- With treatment – please specify level of treatment	11,946	7,147
(ii) Into Groundwater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iii) Into Seawater	0	0
- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(iv) Sent to third-parties	0	0

- No treatment	0	0
- With treatment – please specify level of treatment	0	0
(v) Others	74,130	35,435
- No treatment	0	0
- With treatment – please specify level of treatment	74,130	35,435
<b>Total water discharged (in kilolitres)</b>	<b>86,076</b>	<b>42,582</b>

\*As per block-wise Ground Water Resource Assessment -2020 by Central Ground Water Board

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

#### 4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-	-
<b>Total Scope 3 emissions per Rupee of turnover</b>		-	-
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity		-	-

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

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

Not applicable

#### 6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No	Initiative undertaken	Details of the initiative (web link, if any, may be provided along-with summary)	Outcome of the initiative
1	100% fossil-free electricity in its own operations	Generating own fossil-free electricity, such as installing solar roof panels, buying International Renewable Energy Certificates (IRECs), and signing Power Purchase Agreements (PPA).	Co <sub>2</sub> emission reduction
2	Solar power panels installation	Rooftop solar for the electrification of a project site office. Battery stores the energy and provides backup during non-generation hours.	Co <sub>2</sub> emission reduction
3	Energy efficiency improvement programs	Oven fuel and thermic fluid system optimization. Replaced conventional and Metal Halide lights with energy efficient Light Emitting Diode light fixtures. Installation of lighting transformers to get constant voltages.	Co <sub>2</sub> emission reduction
4	Reduction in freshwater use	Switching over from groundwater to canal water has resulted in saving of water in RO operation and equipment performance due to better quality (less TDS/Hardness)	Water footprint reduction

#### 7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, Business Continuity Planning (BCP) is part of Hitachi Energy's organizational resilience program. It is designed to reduce the impact of a business interruption which could occur due to a range of events ranging from financial, natural causes or man-made events. It helps Business Unit/Function to respond effectively to the disruption and restore its essential services and mission critical processes as quickly as possible to ensure timely recovery. It provides a reference tool for the actions required during or immediately following an emergency or incident that threatens to disrupt Business Unit/Function normal business activities.



The key objectives of this business continuity plan are to:

- Identify advanced preparations and procedures that will enable Business Unit/Function to respond quickly to disruptive incidents, and ensure continuity of critical business functions
- Reduce employee injury or loss of life, and minimize damage and losses
- Have documented plans and procedures to ensure effective execution of recovery strategies for critical business functions
- Reduce and mitigate disruptions to business operations
- Identify teams which would need to respond to incidents and define specific responsibilities
- Quantify the impact of incidents in terms of monetary, time, operations, and work force
- Recover quickly from an emergency and resume full operations

## Steps

### **Key Business Processes & Recovery Priorities**

List all the key processes and sub processes that must be maintained or quickly restored in the event of a disruptive incident. It provides a high-level description for each of the process and assigns a priority (criticality) ranking to each of them.

### **Risk assessment**

Risk assessment is one of the main parts of the BCM system. The RA process involves identification, analysis, and evaluation of all possible risks, hazards, and threats to the operating environment, and defines likelihood / impact of disruptive events caused by such threats.

Once the risks have been identified, their impact on different aspects of operations are gauged. Those risks which affect mission-critical operations should be handled first. The following strategy is used to handle risks:

- **Prevent** – Risks which are of high probability with high impact. These risks must be attended first by using mitigation, prevention or any other strategy to lessen or avoid its impact
- **Accept** – Risks which have low probability and low impact. Nothing specific needs to be done for such risks, but the organization should be vigilant. If a back-up strategy is put in place for such a risk, all the better
- **Contain** – Risks which have a high probability of occurring but having low impact on operations. Use mitigation strategies to minimize impact of the risk on business operations
- **Plan** – Low probability but high impact events. Though this may be once in a lifetime event, its impact could be disastrous. The business should plan the steps to be taken if such a risk occurs. Once the steps to be taken are in place, production can be resumed in the shortest possible time with the least loss

### **Business Impact Analysis**

The Business Impact Analysis (BIA) identifies and prioritizes the mission-critical business processes and key functions, disruption related operational impacts, and the resources (internal and external) required to recover critical operations.

A properly executed BIA will guide in reducing the overall operational and financial impacts, reduce potential losses, and enhance the business operations.

### **Business Continuity Strategy**

Business Continuity Plan describes the strategy devised to maintain business continuity in the event of a disruption to operations. This strategy will be invoked when the primary facility(ies) somehow be damaged or inaccessible, and business critical operations are interrupted.

### **Recovery Priorities**

The strategy is to recover critical business functions at an alternate site location (if an off-site strategy has been put into effect to provide recovery service). Critical business functions are the most critical for immediate recovery at the secondary location.

## **8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Not available

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

Not available

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

The Company is operating in a dynamic, competitive, and regulated environment, making the operations and compliance more complex.

The Company is committed to follow the law of the land and has a policy of zero tolerance to non-compliance which is an integral part of its culture and operating philosophy. To support, streamline and adapt quickly with the ever-changing policy framework, the Company has key industry memberships as given below.

**Essential indicators**

1. a. Number of affiliations with trade and industry chambers/ associations. - 4
- 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.

Sl. no.	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industries	State & National
2	Indian Electrical and Electronics Manufacturers' Association	National
3	Sweden Chamber of Commerce India	National
4	Central Board of Irrigation and Power	National

**2. Provide 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**

Not applicable since the Company has not received any adverse order from regulatory authorities towards issues related to anti-competitive conduct.

**Leadership indicators**

**1. Details of public policy positions advocated by the entity:**

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes/No)	Frequency of Review by Board (Annually / Half yearly / Quarterly / Others - please specify)	Weblink, if available
1	Electrification of public transport and development of urban infrastructure	CII Karnataka Industry forum	-	-	-

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

The Company's Social Policy focuses on society, human rights, children and young workers, freedom of engagement, health and safety, harassment and disciplinary practices, employee consultation, equality of opportunity working hours, compensation, suppliers, community involvement and business ethics.

The policy is drawn principally on six sources:

1. The Universal Declaration of Human Rights
2. The UN Guiding Principles on Business and Human Rights
3. The International Labour Organization's Declaration on Fundamental Principles and Rights at work
4. The OECD Guidelines for Multinational Enterprises
5. The Global Sullivan Principles and
6. The Social Accountability 8000 (SA 8000) standard

The Company has its Corporate Social Responsibility (CSR) policy and framework for action along with clear focal areas against which community engagement projects are taken up predominantly in and around its factory locations.

The details of beneficiaries of CSR Projects are given in response to clause 6 of Leadership indicators

### Essential indicators

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

Not applicable

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Not applicable

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

The company is committed to sustainable and inclusive development of the community's social capital through active engagement. Social surveys are organized through NGO partners to receive the grievances of community, if any. CSR projects are identified and implemented in the following focus areas:

- Promote gender equality and empowering of women in engineering workforce
- Endorse education, employability & healthcare
- Social impact projects to collaborate with communities to provide innovative off-grid solutions to improve access to electricity in the country, especially in rural areas for its development
- Support national disaster management and other Government initiatives
- Aid in sustainable development goals

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

	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> March 2022 Current Financial Year	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year
Directly sourced from MSMEs / small producers	90%	70%
Sourced directly from within the district and neighboring districts	80%	60%

### Leadership indicators

**1. Provide 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. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by Government bodies:**

Sl no.	State	Aspirational district	Amount spent (in INR Crores)
1	Karnataka	Bengaluru, Mysore **	1.50
2	Tamil Nadu	Chennai **	0.02
3	Gujarat	Vadodara **	0.52

Note :

The administrative cost spend of 0.102 INR Crore is exclusive of the spend listed above

\*\* The CSR projects undertaken by the entity are in the districts as listed above and they do not fall under the 'designated aspirational districts' as identified by government bodies

- 3.**
- (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No) - No
  - (b) From which marginalized / vulnerable groups do you procure? - Not applicable
  - (c) What percentage of total procurement (by value) does it constitute? - Not applicable

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

Not applicable

**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:**

Sl. no.	CSR project	No. of persons benefitted from CSR projects	% of beneficiaries from vulnerable and marginalized groups
1)	Women in Manufacturing, Engineering - achieving gender equality and empowering women	80	100%
2)	Ambulance service for local community, providing mobile physiotherapy services for disabled	1800	100%
3)	Green initiatives for traffic islands	Society	
4)	Nutrition kit to 500 under privileged Government school children at Vadodara	500	100%
5)	Creating additional 50 beds at Prakriya Hospital at Peenya	>3000	80%
6)	Supporting C V Raman Government Hospital for new 56 bed ICU facility	>3000	100%
7)	Creating additional medical facility at Govt. Hospital at Halol (Panchmahal)	>3000	100%
8)	Augmenting Pediatric & Neonatal medical facility at Govt. Health Centre at Savli	>3000	100%
9)	COVID-19 Support - Paediatric ICU at Govt. district Hospital, Mysore	>3000	100%
10)	Sustainable Public Mobility - piloting societal adaptation of clean energy in public mobility at IIT Madras	About 1000	-
11)	Smart Electric Grid - laboratory for quality education and skill development at NIT Warangal	About 1000	-
12)	Smart & Sustainable Community - connecting industry, innovation and infrastructure at IIT Roorkee	About 1000	-

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

**Essential Indicators**

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

The Company's customers have following channels through which complaints can be sent and following mechanism is in place to respond to the same:

- 1) Customers can place the complaints through:
  - a. Our Contact Center
  - b. Through E-mail / Letter to the concerned area sales office or project management/order handling or through the EPC/OEM/Distributor from which they have purchased the finished product.
- 2) Upon receipt of the complaint, the sales team or the factory team who have received the complaint, will raise in the system through Customer complaint resolution process (CCRP) tool. The progress of these CCRP tickets is tracked monthly.
- 3) Customers if not satisfied with pace of resolution or the resolution itself, can also request for a escalation matrix.
- 4) Transactional NPS (Net Promoter Score) is used to track the customer feedback and analyzed to take corrective action if necessary.
- 5) High severity customer complaints are monitored on monthly basis at management meetings.



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

The product manual provides information on environmental and social parameters, wherever it is relevant to the product.

For products installed in the field, the Company can offer life cycle management solutions through our service operations. This will support decision-making for customers to manage and maintain their assets, including when it is time for upgrades and decommissioning of assets. The Company is expanding our solutions for product end-of-life management, which have already contributed to large amounts of recycled material in certain markets. One of the key pillars of our service strategy is extending the life of our customers' electrical infrastructure.

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

	1 <sup>st</sup> Jan 2021 – 31 <sup>st</sup> Mar 2022 Current Financial Year		Remarks	1 <sup>st</sup> Jan 2020 – 31 <sup>st</sup> Dec 2020 Previous Financial Year		Remarks
	Received during the year	Pending resolution at the end of the year		Received during the year	Pending resolution at the end of the year	
<b>Data privacy</b>	None	None		None	None	
<b>Advertising</b>	None	None		None	None	
<b>Cybersecurity</b>	None	None		None	None	
<b>Delivery of essential services</b>	None	None		None	None	
<b>Restrictive trade practices</b>	None	None		None	None	
<b>Unfair trade practices</b>	None	None		None	None	
<b>Other</b>						

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

	Number	Reason for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web link of the policy.**

Yes, the web link is as follows - <https://www.hitachienergy.com/offering/solutions/cybersecurity>

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cybersecurity and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

No action taken or underway on issues relating to data privacy of customer

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

- Yes, web link is as : <https://www.hitachienergy.com/offering>

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

The Company gives the following to inform and educate consumers about safe and responsible usage of products and/or services.

- Product operational manual
- Customer training on product, if required
- FAT : Factory Acceptance Test confirmation
- On-site commissioning support

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

The Company manages product life cycle management process like:

- EOL – End Of Life policy or
- LTB – Last Time Buy policy

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief.**

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes. product safety is a critical component of each of our solutions and is exemplified as part of our management system, which contains a standard specifically for HSE requirements during product R&D. Each R&D project is accompanied by a project specific HSE plan, requiring assessment of HSE risks, opportunities, and aspects. Additionally, all our products are provided with safety manuals, which include information concerning the safe use of our products. Overall, our product safety and design programs allow us to incorporate safety by design and offer more value with less HSE & Sustainability impact.

On packing box, the Company prints “FRAGILE MARK” & Glass symbol for upside done indication, Umbrella mark and don't stack, Don't stamp marking.

Yes. The Net Promoter Score (NPS) survey methodology is adopted to understand how the Company is perceived by its customers. The surveys are administered online through a web-based application at planned interval.

**5. Provide the following information relating to data breaches:**

- a. Number of instances of data breaches along-with impact - None
- b. Percentage of data breaches involving personally identifiable information of customers - Not Applicable

# Links to the Company Policies and Programs' section

**Health, Safety, Environment and Sustainability Policy (Hitachi-ABB Group):**

[https://search.abb.com/library/Download.aspx?DocumentID=8DAA5004678\\_en%20&LanguageCode=en&DocumentPartId=&Action=Launch](https://search.abb.com/library/Download.aspx?DocumentID=8DAA5004678_en%20&LanguageCode=en&DocumentPartId=&Action=Launch)

**Social Policy (Hitachi-ABB Group):**

<https://search.abb.com/library/Download.aspx?DocumentID=9AKK107991A1293&LanguageCode=en&DocumentPartId=&Action=Launch>

**Human Rights Policy (Hitachi-ABB Group):**

<https://search.abb.com/library/Download.aspx?DocumentID=9AKK107991A1296&LanguageCode=en&DocumentPartId=&Action=Launch>

**Corporate Social Responsibility Policy (Company):**

<https://www.hitachienergy.com/in/en/investor-relations/corporate-governance>

**Sexual Harassment of Women at the Workplace Policy (Company):**

<https://www.hitachienergy.com/in/en/investor-relations/corporate-governance>

**Code of Conduct (Company):**

<https://search.abb.com/library/Download.aspx?DocumentID=9AKK107680A9270&LanguageCode=en&DocumentPartId=&Action=Launch>

**Supplier Code of Conduct (Hitachi Energy Group):**

<https://www.hitachienergy.com/about-us/supplying/code-of-conduct>

**Sustainability Development Goals:**

<https://www.hitachienergy.com/in/en/news/press-releases/2021/06/hitachi-abb-power-grids-announces-sustainability-2030>

**Corporate Governance (Company):**

<https://www.hitachienergy.com/in/en/investor-relations/corporate-governance>

**Integrity Program (Hitachi Energy Group):**

<https://www.hitachienergy.com/ch/de/about-us/integrity>

**Hitachi Energy Whistleblower - Protection Policy (Company):**

<https://www.hitachienergy.com/in/en/about-us/integrity/reporting-channels/whistleblower-protection-policy>

# Notice to the Members

NOTICE is hereby given that the **THIRD ANNUAL GENERAL MEETING** ('AGM') of the Members of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) ("the Company") will be held on Friday, July 22, 2022 at 11.00 a.m. (IST) through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") to transact the following businesses and the venue of the Meeting shall be deemed to be the Registered Office of the Company at 8<sup>th</sup> Floor, Brigade Opus, 70/401, Kodigehalli Main Road, Bengaluru - 560092 to transact the following businesses:

## Ordinary Business:

### Item No. 1 - Adoption of Financial Statements and Reports of the Board of Directors and the Auditors thereon:

To receive, consider and adopt the financial statements, namely, (i) the Audited Balance Sheet as at March 31, 2022, (ii) the Audited Statement of Profit & Loss Account for the financial period ended on that date, (iii) the Cash Flow Statement for the financial period ended on that date, (iv) statement of changes in Equity, if any, (v) an Explanatory Note annexed to, or forming part of, the documents referred to in (i) to (iv) above and the Reports of Board of Directors and the Auditors thereon.

### Item No. 2 - Declaration of Dividend:

To declare a final dividend of INR 3/- per Equity Share face value of INR 2/- each for the financial period 2021-22.

### Item No. 3 - Appointment of a Director:

To appoint a Director in place of Mr. Achim Michael Braun (DIN: 08596097), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

## Special Business:

### Item No. 4 - Approval of remuneration payable to the Cost Auditors of the Company for financial year 2022-23:

To consider and, if thought fit, to give your assent or dissent to the following **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the payment of remuneration of INR 20,75,000/- (Rupees

Twenty Lakhs and Seventy Five Thousand only) per annum plus applicable taxes and out of pocket expenses actually incurred during the course of audit to M/s. Ashwin Solanki & Associates, Cost Accountants (Firm Registration No.100392) appointed as Cost Auditors, by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023, be and is hereby approved.

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

### Item No. 5 - Re-appointment of Mr. Mukesh Hari Butani (DIN: 01452839) as an Independent Director of the Company:

To consider and, if thought fit, to give your assent or dissent to the following **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and read with the Articles of Association of the Company, Mr. Mukesh Hari Butani (DIN: 01452839), Independent Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years commencing from December 24, 2022 to December 23, 2027 and who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors and/or any of the Key Managerial Personnel of the Company for the time-being, be and are hereby jointly or severally authorized to do all such acts, deeds, matters and things and take such steps which are necessary, expedient or desirable in this regard."



**Item No. 6 - Re-appointment of Ms. Akila Krishnakumar (DIN: 06629992) as an Independent Director of the Company:**

To consider and, if thought fit, to give your assent or dissent to the following **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and read with the Articles of Association of the Company, Ms. Akila Krishnakumar (DIN: 06629992), Independent Director of the Company who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years commencing from December 24, 2022 to December 23, 2027 and who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors and/or any of the Key Managerial Personnel of the Company for the time being, be and are hereby jointly or severally authorized to do all such acts, deeds, matters and things and take such steps which are necessary, expedient or desirable in this regard.”

**Item No. 7 - Re-appointment of Ms. Nishi Vasudeva (DIN: 03016991) as an Independent Director of the Company:**

To consider and, if thought fit, to give your assent or dissent to the following **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 (“Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Regulation 17 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and read with the Articles of Association of the Company, Ms. Nishi Vasudeva (DIN: 03016991), Independent Director of the Company who has submitted a declaration that she meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director and who

is eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company to hold office for a second term of five consecutive years commencing from December 24, 2022 to December 23, 2027 and who shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors and/or any of the Key Managerial Personnel of the Company for the time-being, be and are hereby jointly or severally authorized to do all such acts, deeds, matters and things and take such steps which are necessary, expedient or desirable in this regard.”

**Item No. 8 - Re-appointment of Mr. Nuguri Venu (DIN: 07032076) as Managing Director (MD) and Chief Executive Officer (CEO) of the Company:**

To consider and, if thought fit, to give your assent or dissent to the following **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197 & 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force), Regulation 17(6)(e) and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) and the Articles of Association of the Company, approval of the members be and is hereby accorded to re-appoint Mr. Nuguri Venu (DIN: 07032076), as Managing Director and CEO of the Company for a further period of five years commencing from December 2, 2022 to December 1, 2027 (both days inclusive) on the terms and conditions including remuneration set out in the Agreement dated May 27, 2022 between the Company and Mr. Nuguri Venu and as detailed out in the explanatory statement attached to the notice and the Board be and is hereby authorized to alter, vary or modify his terms of appointment (including remuneration) as may be agreed upon with Mr. Nuguri Venu, subject to the overall ceiling on remuneration specified in the said Schedule V and other applicable provisions of the said Act for the time being in force.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the said Act, the remuneration payable or granted to Mr. Nuguri Venu as the Managing Director by way of salary, perquisites, commission and other allowances, shall not exceed 5% of the net profits of the Company and if there is more than one Whole-time Director, the remuneration to such Directors shall not exceed 10% of the net profit to all such Directors taken together.

**RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Nuguri Venu, as Managing Director and CEO, his remuneration, perquisites and other allowances shall be governed and regulated by the limits prescribed in Schedule V to the said Act.

**RESOLVED FURTHER** for the purpose of giving effect to this resolution, the Board of Directors and/or any of the Key Managerial Personnel of the Company for the time-being, be and are hereby jointly or severally authorized to do all such acts, deeds, matters and things and take such steps which are necessary, expedient or desirable in this regard.”

**Item No. 9 - Commission to Independent Directors of the Company:**

To consider and, if thought fit, to give your assent or dissent to the following **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to Article 91 of the existing Articles of Association of the Company and the provisions of Section 197 and other applicable provisions, if any, of the Companies Act, 2013, consent of the Company be and is hereby accorded for payment of remuneration by way of commission to the Independent Directors of the Company, an amount not exceeding in the aggregate 1% per annum of the net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013, for a period of five financial years commencing from April 1, 2022 to March 31, 2027, in such manner and proportion as may be recommended by the Nomination and Remuneration Committee and determined by the Board of Directors from time to time.”

**Item No. 10 – Appointment of Branch Auditors of the Company:**

To consider and, if thought fit, to give your assent or dissent to the following **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors/ Audit Committee be and is hereby authorised to appoint Branch Auditors of any branch office of the Company, whether existing or which may be opened/ acquired hereafter, outside India, any person(s)/ firm(s) qualified to act as Branch Auditors within the provisions of Section 143(8) of the Act and to fix their remuneration.”

By Order of the Board of Directors  
For **Hitachi Energy India Limited**  
(formerly known as ABB Power Products and Systems India Limited)

Poovanna Ammatanda  
General Counsel & Company Secretary  
FCS-4741

Place : Bengaluru  
Date : May 27, 2022

Registered Office:  
8<sup>th</sup> Floor, Brigade Opus, 70/401, Kodigehalli Main Road,  
Bengaluru - 560092  
CIN: L31904KA2019PLC121597  
Phone: 080 68473700

**Notes:**

1. This AGM is convened through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) pursuant to General Circular number 21/2021 dated 14.12.2021 and 2/2022 dated 05.05.2022 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD2/ CIR/P/2021/11, dated 15.01.2021 and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as ‘Circulars’), which allow the companies to hold AGMs through VC/OAVM. In compliance with the aforesaid Circulars, this AGM Notice along with the Annual Report for the financial period ended March 31, 2022 is sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The AGM notice and Annual Report of the Company are made available on the Company’s website at <https://www.hitachienergy.com/in/en/investor-relations/general-meetings> and also on the website of the Stock Exchanges where the shares of the Company have been listed viz., BSE Limited - [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited - [www.nseindia.com](http://www.nseindia.com). The Company has published a Public Notice by way of advertisement in Kannada Language, the principal vernacular language of Karnataka and in English language in an English newspaper with the required details of 3<sup>rd</sup> AGM for information of the Members.
2. The Company has availed the services of National Securities Depository Limited (NSDL), as the authorised agency for conducting of the AGM through VC/OAVM and providing e-voting facility. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited’s e-Voting website at <https://www.evoting.nsdl.com> The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 Members on a first-come-first-served basis as per the MCA Circulars. The detailed instructions for joining the meeting through VC/OAVM form part of the Notes to this Notice.
3. Though a Member entitled to attend and vote at the Meeting, is entitled to appoint one or more proxies (proxy need not be a member of the Company to attend and vote instead of himself/herself), the facility of appointment of Proxies is not available as the AGM is convened through VC/OAVM.
4. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In case of joint holders attending the AGM, the member whose name appears as the first holder in the order of the names as per the Register of Members of the Company will be entitled to vote.

6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members electronically during Annual General Meeting.
7. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members electronically during during the Annual General Meeting.
8. The statement pursuant to Section 102 of the Companies Act, 2013 and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) 2015, setting out the material facts concerning special business at Item No. 4 to 10 is annexed hereto.
9. The Register of Members and the Share Transfer Books of the Company will remain closed from July 16, 2022 to July 22, 2022 (both days inclusive) for the purpose of annual general meeting and dividend. The cut-off date for voting through remote e-voting and voting at AGM venue is Friday, July 15, 2022 and record date for dividend is Friday, July 15, 2022.
10. The Company is proposing dividend for financial period ended March 31, 2022. Also, this being the third financial period of the Company, there was no requirement to transfer any dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, to the Investor Education and Protection Fund ("IEPF"), established under Section 125 of the Companies Act, 2013. Further, there was no requirement to transfer all shares on which dividend has not been paid or claimed for seven consecutive years or more to IEPF Authority as notified by the Ministry of Corporate Affairs. As the Company was incorporated on February 19, 2019, it may be noted that there is no Unclaimed Dividend lying in IEPF Authority Account.

Pursuant to the Scheme of Arrangement (Demerger), 1,07,421 Equity shares that were allotted directly to IEPF account and dividend of INR 2,13,136/- (after deduction of taxes) was also paid and deposited directly into IEPF account after 2<sup>nd</sup> AGM. The concerned Members/claimants may claim the shares and corresponding dividend amount (declared for FY 2020) by making an application to IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee and documents as decided/prescribed by it from time to time.

Also, 9,266 Equity shares arising out of fractional shares were sold on July 27, 2020 out of that 73.20 equity shares were pertaining to IEPF and net amount INR 49,932.30 (after deduction of taxes) was deposited into IEPF account on August 3, 2020. The concerned Members/claimants may claim the proceeds of fractional shares by making an application to IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in))

along with requisite fee and documents as decided/prescribed by it from time to time. Regarding 9,266 Equity fractional shares sold in FY 2020, payment was commenced to fractional members in financial year 2020 and subsequently and out of that amount, INR 2,10,037.39 is lying unclaimed as on March 31, 2022 and fractional members can claim the payment by approaching Company/KFIN Technologies Limited.

The concerned Members/claimants may claim the shares and dividend amount (declared for FY 2020) and fractional shares amount (transferred to IEPF Authority on 73.20 Equity shares) by making an application to IEPF Authority in Form IEPF-5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)) along with requisite fee and documents as decided/prescribed by it from time to time.

It is in the Member's interest to claim any unclaimed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are directly credited to the Member's account on time.

The details of the unclaimed dividend for FY 2020, fractional shares amount transferred directly into IEPF account and Equity shares directly allotted to IEPF pursuant to Scheme of Demerger are available on the Company's website at <https://www.hitachienergy.com/in/en/investor-relations/> Members are requested to contact KFin Technologies Limited (KFinTech), Unit: Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited), Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Gachibowli, Serilingampally Mandal, Hyderabad – 500 032, Telangana, the Registrar and Share Transfer Agents of the Company, to claim the unclaimed / unpaid dividends, aforementioned fractional shares sold amount and equity shares.

Due dates for transfer to IEPF is as under:

Type	Declaration/Sale Date	Due Date
Transfer of unclaimed Fractional shares amount (arising of fractional shares sold in Financial Year January to December 2020)	July 27, 2020	September 30, 2027
Transfer of unclaimed/ unpaid dividend and corresponding Equity shares for the Financial Year January to December 2020	May 27, 2021	July 31, 2028

11. In terms of the provisions of Section 152 of the Act, Mr. Achim Michael Braun retires by rotation at the Meeting. Mr. Achim Michael Braun is interested in the Ordinary Resolution set out at Item No. 3 of the Notice with regard to his re-appointment. Save and except the above, none of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the

Ordinary Business set out under Item Nos. 1 to 3 of the Notice except to the extent of equity shares held by them, if any.

12. Members are requested to intimate, indicating their folio number, the changes, if any, in their registered address, e-mail id, bank account details, nomination, signature, etc., either to the Company's Registrar and Share Transfer Agents ("RTA"), KFin Technologies Limited ("KFin/KFintech") at the address captured under "Information at a glance" or to their respective Depository Participant ("DP") in case the shares are held in dematerialized form.

To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADNRO/GN/2022/66 dated January 24, 2022) while processing the service request mentioned in the above notification (viz., for issue of duplicate shares, claim from Unclaimed suspense account, renewal/exchange of securities certificate, endorsement, Sub - division / Splitting of securities certificate, Consolidation of securities certificates/folios, share transfer, share transmission, share transposition, issue of duplicate shares, deletion of name, correction of name, etc). Hence, the Members holding shares in physical form are requested to consider converting their holdings in the dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice.

As per Regulation 40 of SEBI Listing Regulations, as amended with effect from April 1, 2019, securities of listed companies can be transferred only in dematerialized form, except in case of request received for transmission or transposition of securities. Further, SEBI vide its circular dated November 03, 2021 has introduced common and simplified norms for processing any service request received from the member related to furnishing PAN, KYC details and Nomination by the Registrar and Share Transfer Agents ("RTA") :

- Electronic interface for processing investor's queries, complaints and service request
- Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities
- Freezing of folios without valid PAN, KYC details and Nomination
- Compulsory linking of PAN and Aadhaar by all holders of physical securities

Members holding shares in physical mode are:

- required to submit their Permanent Account Number (PAN) and bank account details to the Company / KFin, if not registered with the Company, as mandated by SEBI.
- update their signature, registered address, e-mail id and nomination

Members holding shares in electronic mode are:

- requested to submit their PAN and bank account details to their respective Depository Participants ("DPs") with whom they are maintaining their demat accounts.
- advised to contact their respective DPs for registering nomination.
- requested to register / update their e-mail address with their respective DP's for receiving all communications from the Company electronically.

Non-Resident Indian members are requested to inform KFin/ respective DPs, immediately of:

- Change in their residential status on return to India for permanent settlement
- Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier

13. The dividend as recommended by the Board of Directors of the Company, if declared by the members at the AGM, will be paid subject to deduction of income-tax at source ('TDS') on and from Monday, July 25, 2022, to those members whose name stand registered on the Company's Register of Members:

- a) To all the Beneficial Owners as at the end of the day on Friday, July 15, 2022 as per the list of beneficial owners to be furnished by the National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") in respect of shares held in dematerlised form;
- b) To all the Members after giving effect to valid transmission and transposition in respect of valid requests lodged with the Company as of the close of business hours on Friday, July 15, 2022.

14. It is in the interest of Members to register their bank details against their account for receiving the credit of dividend directly to their bank account through electronic means. Members are requested to note that, in order to avoid any loss/ interception in postal transit and also to get prompt credit of dividend through National Electronic Clearing Service (NECS)/Electronic Clearing Service (ECS) they should submit their NECS/ ECS details to the Company's Registrar and Share Transfer Agents (RTA) in case of holding shares in physical form and in case Members holding shares in electronic form, they may submit the NECS/ECS details to their depository participant.

15. As a part of the green initiative and as mandated by SEBI, the Members who have not yet registered their e-mail addresses are requested to register their e-mail addresses with their DPs in case the shares are held by them in electronic form and with KFin Technologies Limited ("KFin/KFintech") in case the shares are held by them in physical form. Upon such Registration, all communication from the Company/ RTA will be sent to the registered e-mail address.



16. As required by Regulation 36 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, the relevant details of Directors seeking re-appointment at this Annual General Meeting is given in the **Annexure – I** to the Notice of the Annual General Meeting.
17. The members/investors may write their queries, if any to the Company's Registrar and Share Transfer Agents' e-mail ID: einward.ris@kfintech.com or to the Company's designated/exclusive e-mail: investors@hitachienergy.com
18. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, Members holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's Registrar and Share Transfer Agents. In respect of shares held in demat form, the nomination form may be filed with the respective DP.
19. All documents referred in the accompanying Notice and Statement setting out material facts will be available for inspection at the Registered office for inspection for Members on all working days between 10.00 a.m. and 12.00 noon up to the date of the Annual General Meeting. Members seeking to inspect such documents can send an e-mail to: investors@hitachienergy.com
20. 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 statements of holdings should be obtained from the concerned DPs and holdings should be verified from time to time.
21. Updation of Members' details: The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company/Registrars and Share Transfer Agents to record additional details of Members, including their PAN details, e-mail address, bank details for payment of dividend, etc. Members holding shares in physical form are requested to furnish the above details to the Company or KFintech, its Registrars and Share Transfer Agents. Members holding shares in electronic form are requested to furnish the details to their respective DP.
22. Since the AGM being held through VC/OAVM, the route map, attendance slip and proxy form are not attached to this Notice.
- investors@hitachienergy.com between Friday, July 15, 2022 (9.00 a.m. IST) and Tuesday, July 19, 2022 (5.00 p.m. IST). Only those Members who have pre-registered themselves as a speaker will be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
24. The Members who wish to post their questions prior to the meeting can do the same by sending e-mail at investors@hitachienergy.com between Friday, July 15, 2022 (9.00 a.m. IST) and Tuesday, July 19, 2022 (5.00 p.m. IST) from their registered e-mail address, mentioning their name, DP ID and Client ID number/folio number and mobile number. Such questions by the Members shall be suitably replied by the Company.
25. Facility of joining the AGM through VC / OAVM shall be available for 1000 members on first-come-first-served basis. However, the 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 served basis.
26. Members of the Company under the category of Institutional Investors are encouraged to attend the AGM and vote at the AGM through VC/OAVM , if not already voted remotely.
27. Instructions for attending the AGM through VC/OAVM and remote e-Voting (before and during the AGM) are given below:

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

Remote e-Voting before/during the AGM :

- a. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI LODR (as amended) and the MCA Circulars, the Company is providing the facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a Member using remote e-Voting system as well as remote e-Voting during the AGM will be provided by NSDL.
- b. Any person holding shares in physical form and non-individual Members, who acquires shares of the Company and becomes member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Friday, July 15, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with

**Speaker Shareholder:**

23. Members who would like to express their views / ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at

NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsd.com](http://www.evoting.nsd.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30. In case of Individual Members holding securities in demat mode who acquire shares of the Company and becomes a member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Friday, July 15, 2022 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-voting system”.

- c. The remote e-Voting period commences 9.00 a.m. IST on Sunday, July 17, 2022 and ends at 5.00 p.m. IST on Thursday, July 21, 2022. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. The voting rights of the Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date i.e., Friday, July 15, 2022.
- d. Members will be provided with the facility for voting through the electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by remote e-voting, will be eligible to exercise their right to vote at

the end of discussion on the resolutions on which voting is to be held, upon announcement by the Chairperson. Members who have cast their vote on resolution(s) by remote e-Voting prior to the AGM will also be eligible to participate at the AGM through VC/OAVM but shall not be entitled to cast their vote on such resolution(s) again.

- e. The remote e-Voting module on the day of the AGM shall be disabled by NSDL for voting 15 minutes after the conclusion of the Meeting.

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

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

- A) Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode

In terms of SEBI Circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

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

Type of Members	Login Method
Individual Members holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> 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/Creditor’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

**NSDL Mobile App is available on**

APP STORE



GOOGLE PLAY



- Individual Members holding securities in demat mode with CDSL
- Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
  - After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote.
  - If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
  - Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in [www.cdslindia.com](http://www.cdslindia.com) home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.

Individual Members (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 Forget User ID and Forget Password option available at abovementioned website.

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

Login type	Helpdesk details
Individual Members holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Members holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

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

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

- 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/Creditor' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- 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 120114 then user ID is 120114001***

5. Password details for Members other than Individual Members 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 force you to change your password
    - c) How to retrieve your 'initial password' ?
      - (i) If your e-mail ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      - (ii) If your e-mail ID is not registered, please follow steps mentioned below in **process for those Members whose e-mail IDs are not registered.**
  6. 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](http://www.evoting.nsdl.com).
    - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
    - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) 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.
  7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
    8. Now, you will have to click on "Login" button.
    9. After you click on the "Login" button, Home page of e-Voting will open.
- Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system:**
- How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**
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 in active status.
  2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
  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.
- General Guidelines for Members**
1. Institutional Members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG format) of the relevant board resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to : [cs.skannan@gmail.com](mailto:cs.skannan@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) The scanned image of the above mentioned documents should be in the naming format "Hitachi Energy India Limited, 3<sup>rd</sup> Annual General Meeting" with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional Members (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-Voting" tab in their login.



2. 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](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Pallavi Mhatre or Amit Vishal at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those Members whose e-mail IDs are not registered with the depositories for procuring user ID and password and registration of e-mail IDs for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by e-mail to [investors@hitachienergy.com](mailto:investors@hitachienergy.com)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of consolidated account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) to [investors@hitachienergy.com](mailto:investors@hitachienergy.com). If you are an Individual Members holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual Members holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

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

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 casted their vote on the resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
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.

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

1. Member will be provided with a facility to attend the EGM/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 EVEN of Company i.e. 120114 will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.

**28. Procedure to be followed by the Members for updation of PAN, tax declaration and other details for receipt of dividend (whenever declared):**

As you are aware, the Income Tax Act, 1961 (‘the IT Act’), as amended by the Finance Act, 2020, mandates

that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of the Members. The Company shall therefore be required to deduct tax at source (TDS) at the time of making the payment of the Final Dividend, if declared at the Annual General Meeting of the Company to be held on Friday, July 22, 2022. In general, to enable compliance with TDS/ Withholding tax (WHT) requirements, Members are requested to complete and/or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants (“DPs”) or in case shares are held in physical form, with the Company by sending documents through e-mail by Monday, July 11, 2022. Detailed instruction with regard to the same is given below:

#### Updation of details for TDS/WHT and payment of dividend

You are requested to register/update your Permanent Account Number, Bank details, e-mail address, Residential address, Residential status in India (i.e., Resident or Non-resident for FY 2022-23) with your Depository Participant (in case of electronic holding) or with the Company/ Registrar and Share Transfer Agent (in case of physical holding) latest by Monday, July 11, 2022. Details available with the Company in the Register of Members/Register of Beneficial Ownership maintained by the Depositories will be relied upon by the Company, for the purpose of complying with the applicable TDS/ WHT provisions.

The dividend will be paid electronically in the bank accounts of the Members whose Bank details are available with the Company/Registrar and Share Transfer Agent.

For the Members, whose Bank details are not updated/ registered as aforesaid, the Company shall dispatch the same through postal services.

Resident individual member 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 einward.ris@kfintech.com on or before Monday, July 11, 2022. Further, no tax shall be deducted on the dividend payable to a resident individual member if the total amount of dividend to be received from the Company during the Financial Year 2022-23 does not exceed INR 5,000/-. Members may note that in case PAN is not updated with the Depository Participant/Registrar of the Company, the tax will be deducted at a higher rate of 20%.

Non-resident members can avail beneficial tax rates under Double Tax Avoidance Agreement [DTAA] i.e., tax treaty between India and their country of residence. Non-resident members are required to provide details on applicability of beneficial tax rates and provide following documents:

- Copy of PAN card, if any, allotted by Indian Income Tax Authorities duly self-attested by the member
- Copy of Tax Residency Certificate [TRC] for the FY 2022-23 obtained from the revenue authorities of country of tax residence duly attested by the Member
- Self Declaration in Form 10-F
- No-PE [permanent establishment] certificate
- Self Declaration of beneficial ownership by the non-resident member
- Lower withholding Tax certificate, if any, obtained from the Indian Tax Authorities

#### Provisions related to TDS and documents required

You are requested to take note of the below stated TDS/ WHT rates and document(s), if any, required to be submitted to the Company or Registrar for your respective category on or before July 11, 2022, in order to comply with the applicable TDS/ WHT provisions.

#### Resident Members

Tax is required to be deducted at source under Section 194 of the Income Tax Act, 1961, as amended by the Finance Act, 2020 (“the Act”), at 10% on the amount of dividend. However, the same may be subject to certain exceptions as per the Act, which are stated hereunder:

For Resident Individuals/ HUF /Domestic company/ Private trusts/ Other trusts/ Body of Individuals/ Association of Persons/ Partnership Firm / Limited Liability Partnership (LLP)/ Alternative Investment Funds (Category III) Members

- No tax shall be deducted on the dividend payable to resident individuals if the total dividend to be received during financial year 2022-23 does not exceed INR 5,000/-.

- No tax shall be deducted on the dividend payable to resident individuals if the Member has provided Form 15H (applicable to an Individual above the age of 60 years) or Form 15G, as per the attached formats, provided that all the required eligibility conditions are met.

- In case of Members who have provided a valid certificate issued under section 197 of the Act for lower / NIL rate of deduction or an exemption certificate issued by income tax authority, the rates mentioned in such certificate shall be considered for deduction of tax at source.

Note: Registering the valid Permanent Account Number (PAN) for the registered Folio/DP ID/Client ID is mandatory. In absence of PAN/Valid PAN, tax will be deducted at a higher rate of 20%, as per Section 206AA of the Act.

Download Forms -

[https://crimg.kfintech.com/bmails/files/ABBP\\_13876\\_Form\\_15H.pdf](https://crimg.kfintech.com/bmails/files/ABBP_13876_Form_15H.pdf) to download Form 15H  
[https://crimg.kfintech.com/bmails/files/ABBP\\_13876-Form-15G.pdf](https://crimg.kfintech.com/bmails/files/ABBP_13876-Form-15G.pdf) to download Form 15G

For Resident Non-Individuals Members	<p>No tax shall be deducted at source on the dividend payable to certain resident non-individuals as per the provisions of the Act on submission of the documents mentioned below:</p> <p>(a) <b>Insurance Companies specified in the second proviso to Section 194 of the Act:</b> Declaration that the insurance company has full beneficial interest with respect to the shares owned by it along with an attested copy of the PAN of the insurance company.</p> <p>(b) <b>Mutual Funds:</b> Certificate of registration under Section 10(23D) of the Act issued by the appropriate authority along with an attested copy of the PAN of the mutual fund.</p> <p>(c) <b>Alternative Investment Fund:</b> Self-declaration that its income is exempt under Section 10(23FBA) of the Act and that the Fund is governed by the SEBI Regulations as Category I or Category II Alternative Investment Fund, along with an attested copy of the PAN and registration certificate.</p> <p>(d) <b>Other Non-Individual Members:</b> Documentary evidence along with an attested copy of the PAN for Members who are exempted from deduction of tax under Section 194 of the Act, and categories covered under Section 196 of the Act.</p> <p>(e) <b>REIT/ InvIT:</b></p> <p>As per the recent Union Budget, 2021, it is proposed that no TDS is applicable on Real Estate Investment Trust and Infrastructure Investment Trust.</p> <p>Further, in case of Members who have provided a valid certificate issued under Section 197 of the Act for lower/ NIL rate of deduction or an exemption certificate issued by income tax authority, the rates mentioned in such certificate shall be considered for deduction of tax at source.</p> <p>Note: Recording of the Valid Permanent Account Number (PAN) for the registered Folio/DP id-Client Id is mandatory. In absence of PAN/ Valid PAN, tax will be deducted at a higher rate of 20%, as per Section 206AA of the Act.</p>
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#### Non-Resident Members

WHT is applicable as per the provisions of income tax as per section mentioned against the category of the members

Category of member	Relevant TDS Section	Rates applicable
Non-resident individual	115A read with 195	28.50%
Foreign LLP	115A read with 195	23.30%
Foreign Company	115A read with 195	21.84%
Overseas Trust	115A read with 195	28.50%

Non-resident Members can avail the benefit of Double Tax Avoidance Treaty between India and their country of residence on submission of the documents mentioned below: Self-attested copy of the Permanent Account Number (PAN Card) allotted by the Indian Income Tax authorities.

Self-attested copy of Tax Residency Certificate (TRC) (of FY 2022-23 or calendar year 2022) obtained from the tax authorities of the country of which the Member is resident. Self-declaration in Form 10F if all the details required in this form are not mentioned in the TRC.

Self-declaration by the non-resident Member of having no Permanent Establishment in India in accordance with the applicable Tax Treaty (of FY 2022-23 or calendar year 2022) along with Self-declaration of Beneficial ownership (of FY 2022-23 or calendar year 2022) by the non-resident Member.

Any other documents prescribed under the income-tax Act, 1961 for lower or NIL withholding of tax, if applicable.

Kindly note that the Company is not obligated to apply beneficial tax treaty rates at the time of tax deduction / withholding on dividend amounts. Application of beneficial rate of tax treaty for the purpose of withholding taxes shall depend upon completeness and satisfactory review by the Company of the documents submitted by the non-resident Member.

In case of Foreign Institutional Investors (FII), taxes shall be withheld at 20% plus applicable surcharge and cess in accordance with provisions of Section 196D of the Act. In case of Foreign Portfolio Investors (FPI), taxes shall be withheld at the respective rates as per tax treaties.

Download Forms -

[https://crimg.kfintech.com/bmails/files/ABBP\\_13876-Form\\_10F.pdf](https://crimg.kfintech.com/bmails/files/ABBP_13876-Form_10F.pdf) Click Here to download Form 10F

<https://crimg.kfintech.com/bmails/files/ABBP-13876-Self-declaration-2022.pdf> to download Self Declaration

#### Members having multiple accounts under different Status/Category

Members holding shares under multiple accounts under different status/category and single PAN, may note that higher of the tax as applicable to the status in which shares held under a PAN will be considered on their entire holding in different accounts.

#### NIL TDS for the following category of members

The Government, RBI, Corporation established by Central Act, / Securitization trust/ Insurance companies as per the provisions of Income Tax u/s 194, 196 and 197A(1F).

**Notes :**

Both hard copy and scanned copies of the aforementioned documents will be accepted by the Company but should reach by July 11, 2022. The documents (duly completed and signed) are required to be submitted to KFin Technologies Limited, Registrar and Share Transfer Agent of the Company not later than July 11, 2022, in order to enable the Company to determine and deduct TDS/ WHT at appropriate rate. **Communication on tax determination/deduction shall not be entertained after July 11, 2022.**

Kindly note that the afore mentioned documents should be uploaded with KFin Technologies Limited, the Registrar and Transfer Agent ("KFinTech") at <https://ris.kfintech.com/form15> or emailed to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). No communication on the tax determination/deduction shall be entertained after July 11, 2022.

For all self-attested documents, Members must mention on the document "certified true copy of the original". For all documents being uploaded by the Member, the Member undertakes to send the original document(s) on the request by the Company.

In case, the dividend income is assessable to tax in the hands of a person other than the registered Member as on the Book Closure Date, the registered Member is required to furnish a declaration containing the name, address, PAN of the person to whom TDS/ WHT credit is to be given and reasons for giving credit to such person. The declaration in this regard should be communicated/ submitted to KFin Technologies Limited, Registrar and Share Transfer Agent of the Company not later than July 11, 2022.

It may be further noted that in case the tax on dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, there would still be an option available with the Member to file the return of income and claim an appropriate refund, if eligible. No claim shall lie against the Company for such taxes deducted.

In the event of any Income Tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Member(s), such Member(s) will be responsible to indemnify the Company and, also, provide the Company with all information/documents and co-operation in any appellate proceedings.

All the above referred tax rates will be enhanced by surcharge and cess, wherever applicable.

The Company will send out the email with a soft copy of the TDS/ WHT certificate at the Members' registered e-mail ID in due course, post payment of the Dividend. Members will also be able to see the credit of TDS in Form 26AS, which can be downloaded from their e-filing account at <https://incometaxindiaefiling.gov.in>

Above communication on TDS/ WHT sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences. This communication shall not be treated as an advice from the Company or its affiliates or its Registrar & Transfer Agent. Members should obtain the tax advice related to their tax matters from a tax professional.

All communications/queries in this respect should be addressed and sent to Share Transfer Agent at:

Ms. V. Shobha Anand

Deputy Vice President

KFin Technologies Limited,

(Unit: Hitachi Energy India Limited

(formerly known as ABB Power Products and Systems India Limited)

Tower B, Plot 31-32, Financial District Nanakramguda Serilingampally, Mandal, Hyderabad - 500032.

Contact details:

Email ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com); [shobha.anand@kfintech.com](mailto:shobha.anand@kfintech.com)

Toll free: 1- 800-309-4001

29. Members intending to seek explanation / clarification at the Annual General meeting about the information contained in the Annual report are requested to inform the Company Secretary at least a week in advance of their intention, so that relevant information may be made available, if the Chairman permits such information to be furnished.
30. Members are requested to address all correspondence to the Company Secretary or to the KFin at the address mentioned hereunder:

To the Company:

Mr. Poovanna Ammatanda

General Counsel and Company Secretary

Hitachi Energy India Limited

(formerly known as ABB Power Products and Systems India Limited)

CIN:L31904KA2019PLC121597

Registered office: 8<sup>th</sup> Floor, Brigade Opus 70/401,

Kodigehalli Main Road, Bengaluru-560092

Phone no: +91 80 6847 3700 , +91 80 2204 1800

Website: [www.hitachienergy.com/in](http://www.hitachienergy.com/in)

E-mail: [investors@hitachienergy.com](mailto:investors@hitachienergy.com)

To the Registrar & Share Transfer Agents:

KFin Technologies Limited

Unit: Hitachi Energy India Limited

(formerly known as ABB Power Products and Systems India Limited)

Selenium Tower B, Plot 31 & 32, Financial District,

Nanakramguda, Serilingampally Mandal,

Hyderabad - 500 032, Telangana.

E-mail id: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

Website: <https://www.kfintech.com> and / or

<https://ris.kfintech.com/>

Toll free number: 1- 800-309-4001

31. At the First AGM held on August 13, 2020 the members had approved appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (ICAI Firm Registration No.101049W/E300004) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the Sixth AGM.
32. Other points:
- I. The Board of Directors has appointed Mr. S Kannan, (Membership No. FCS 6261/CP No. PCS 13016), Practicing Company Secretary and in his absence Mr. B L Vinay, Practicing Company Secretary, Bengaluru, (Membership No. A26638 and CP No. PCS 10760), Bengaluru as the Scrutinizer to scrutinize the voting process in a fair and transparent manner.

- II. The Scrutinizer shall immediately after the conclusion of voting at the general meeting, count the votes cast at the meeting and votes cast through remote e-voting in the presence of at least two witnesses who are not in the employment of the Company and within a period not exceeding two working days from the conclusion of the meeting submit a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman of the Company, or any other person authorized by him in writing for counter signature.
- III. The Results shall be declared either by the Chairman or the person authorized by the Chairman in writing and the resolutions will be deemed to have been passed on the AGM date subject to receipt of the requisite number of votes in favour thereof.
- IV. Promptly after declaration of results, the same will be communicated to BSE Limited ("BSE"), National Stock Exchange of India Limited ("NSE") (together called as "Stock Exchanges"), Depositories, Registrar and Transfer Agents being KFin Technologies Limited and would also be displayed on the Company's website <https://www.hitachienergy.com/in/en> and at its registered office.
- V. A person who is not a member as on the cut-off date, should treat this Notice for information purpose only.

Information at a glance	
Particulars	Information
Time and date of 3 <sup>rd</sup> AGM	Friday, July 22, 2022 at 11:00 am
Mode	Video Conference and Other Audio-Visual Means (VC/OAVM)
Participation through VC/OAVM	Refer instructions above
Helpline number for Remote e-voting participation	1800 1020 990 / 1800 224 430
Cut-off date for remote e-voting/voting at AGM and for dividend	Friday, July 15, 2022
Remote E-voting start time and date	Sunday, July 17, 2022, at 9:00 am (IST)
Remote E-voting end time and date	Thursday, July 21, 2022 at 5:00 pm (IST)
E-voting facility after conclusion of AGM	Members who have not exercised voting through remote e-voting can exercise voting immediately after conclusion of AGM
E-voting website of NSDL for remote e-voting	<a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a>
Name, address and contact details of Registrar and Transfer Agent	Ms. Shobha Anand Deputy Vice President KFin Technologies Limited, Unit: Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) Tower B, Plot 31-32, Financial District, Nanakramguda Serilingampally, Mandal, Hyderabad - 500032. Contact details: e-mail ID: <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> Contact number: toll free no. 1- 800-309-4001
Name and contact details of e-voting and VC/OAVM service provider	National Securities Depository Limited (NSDL) Toll free number: 1800 1020 990 / 1800 224 430 e-mail ID: <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a>

By Order of the Board of Directors  
For **Hitachi Energy India Limited**  
(formerly known as ABB Power Products and Systems India Limited)

Poovanna Ammatanda  
General Counsel & Company Secretary  
FCS-4741

Place : Bengaluru  
Date : May 27, 2022

Registered Office:  
8<sup>th</sup> Floor, Brigade Opus, 70/401, Kodigehalli Main Road,  
Bengaluru - 560 092  
CIN: L31904KA2019PLC121597  
Phone: 080 68473700



## Explanatory Statement

### Setting out material facts under Regulation 36(5) of the Listing Regulations and Section 102 of the Companies Act, 2013

#### Item No. 4:

The Board of Directors of the Company, based on the recommendation of the Audit Committee, has approved the appointment of M/s. Ashwin Solanki & Associates, Cost Accountant (Registration No: 100392) as Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023. In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors requires to be approved by the Members of the Company.

Accordingly, approval of the Members is sought as referred to in the Resolution No. 4 of the Notice for the payment of the remuneration amounting to INR 20,75,000/- (Rupees Twenty Lakhs and Seventy Five Thousand only) for Cost Audit plus applicable taxes and out of pocket expenses incurred during the course of audit for the financial year ending March 31, 2023.

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

None of the Directors and/or Key Managerial Personnel of the Company and / or their respective relatives is concerned or interested, financially or otherwise, in the Ordinary Resolution as set out in Resolution No. 4 of the Notice.

#### Item No(s) 5, 6 and 7:

The Board of Directors at their meeting held on December 24, 2019 had appointed Mr. Mukesh Hari Butani, Ms. Akila Krishnakumar and Ms. Nishi Vasudeva as Additional Directors (Independent Directors) w.e.f. December 24, 2019 for a term of 3 years. Their appointment was regularized through postal ballot notice dated April 30, 2020.

Considering the expertise, rich & diverse experience and contribution made by Mr. Mukesh Hari Butani, Ms. Akila Krishnakumar and Ms. Nishi Vasudeva during the first term and based on their performance evaluation and pursuant to the provisions of Section 149, 150, 152 of the Companies Act, 2013 and the Articles of Association of the Company, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, approved the re-appointment as Independent Directors of the Company for the second term of 5 (five) years commencing from December 24, 2022 to December 23, 2027 which is subject to approval of the Members at this Annual General Meeting.

All the 3 Directors have granted the consent for their re-appointment as an Independent Director. Further, the Company has received declarations from them that they

continue to meet the criteria of Independence prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Rules framed thereunder, read with Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended from time to time. Also, as per confirmation received from them, they are not disqualified from being re-appointed as Directors in terms of Section 164 of the Companies Act, 2013. All 3 Directors have confirmed that their names are registered in the database for Independent Directors. In the opinion of the Nomination and Remuneration Committee and the Board, the 3 Directors are independent of the Management.

In terms of Section 160 of the said Act, a notice in writing has been received from the Members of the Company signifying their intention to propose each of the aforesaid Directors as candidates for the office of Director of the Company. All 3 Directors are not liable to retire by rotation.

Additional information containing the details of Directorship, membership in committee's in other companies, expertise, experience, knowledge, and educational qualification including brief profile in respect of Mr. Mukesh Hari Butani, Ms. Akila Krishnakumar and Ms. Nishi Vasudeva pursuant to the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings is provided as **Annexure I** to this notice.

In the opinion of the Board of Directors, Mr. Mukesh Hari Butani, Ms. Akila Krishnakumar and Ms. Nishi Vasudeva, the independent directors proposed to be re-appointed, fulfil the conditions specified in the Companies Act, 2013 and the rules made thereunder read with Schedule IV of Companies Act, 2013 and Regulations 17 A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Company has received declarations of their independence that they are independent of the management.

Mr. Mukesh Hari Butani, Ms. Akila Krishnakumar and Ms. Nishi Vasudeva are interested in the Special Resolutions relating to their respective appointment. None of the other Directors and Key Managerial Personnel of the Company, or their relatives, is concerned or interested, financially or otherwise, in the Resolutions as set out in item No(s) 5, 6 and 7 to the Notice. The Board considers that their continued association would immensely benefit the Company and accordingly recommends for the approval of Members as Special Resolutions.

#### Item No. 8:

Mr. Nuguri Venu aged about 56 years is a Managing Director and CEO of the Company having over 32 years of industry experience in various fields.

The Board of Directors at their meeting held on November 22, 2019, appointed Mr. Nuguri Venu as an Additional Director w.e.f. December 2, 2019. At the meeting of the Board of

Directors held on November 22, 2019, Mr. Nuguri Venu was also appointed as the Managing Director of the Company for a period of 3 (three) years effective from December 02, 2019 to December 01, 2022 (both days inclusive), subject to the approval of the Members in general meeting, at the remuneration and on the terms and conditions set out in the Agreement dated December 2, 2019 between the Company and Mr. Nuguri Venu. His appointment as Director was regularized by the Members and appointment as Managing Director was approved by the Members vide postal ballot notice dated April 30, 2020. He was also designated as Chief Executive Officer w.e.f. February 26, 2021.

Considering the recommendation of the Nomination and Remuneration Committee, the Board of Directors at their meeting held on May 27, 2022, re-appointed Mr. Nuguri Venu as Managing Director and CEO of the Company for a further period of 5 years commencing from December 02, 2022 upto December 01, 2027 (both days inclusive), which is subject to approval of the Members at this Annual General Meeting.

The principal terms and conditions of his re-appointment as Managing Director and CEO as contained in the Agreement dated May 27, 2022 are as under:

1. Tenure of appointment: Mr. Nuguri Venu shall serve the Company as its Managing Director and CEO for a further period of five years i.e., from December 02, 2022 to December 01, 2027 (both the days inclusive), in accordance with provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 ("the said Act"). This appointment is subject to the approval of the shareholders at the ensuing Annual General Meeting.
2. Subject to such orders and directions as may from time to time be given to him by the Board of Directors of the Company (hereinafter referred to 'the Board'), Mr. Nuguri Venu shall promptly and faithfully obey, observe and comply with in all respects and subject also to such restrictions as the Board may in its sole and uncontrolled discretion from time to time impose on him. Mr. Nuguri Venu shall have the management of the whole of the affairs of the Company with power to appoint and dismiss employees of the Company, to enter into contracts on behalf of the Company in the ordinary course of business and to do and perform all other acts and things, which, in the ordinary course of business, he may consider necessary or proper or in the interest of the Company.
3. During his tenure as MD and CEO under this Agreement, Mr. Nuguri Venu shall use his best endeavours to promote the interest and welfare of the Company.
4. During his tenure as MD and CEO, Mr. Nuguri Venu shall whenever required by the Company, undertake such travelling in India and abroad as the Board may from time to time direct him in connection with or in relation to the business of the Company.
5. The Company shall, in consideration of the performance of his duties, pay to Mr. Nuguri Venu, a remuneration not exceeding INR 4,94,86,522/- (Rupees Four crores, Ninety-four lakhs and Eighty-six thousand Five hundred and twenty two only) per annum as over-all Cost Compensation package including retiral benefits and performance bonus but excluding other perquisites/allowance and benefits as per clause No 5(e) as detailed below:
  - a. Basic Pay INR 1,74,57,000/- (Rupees One crore Seventy-four lakhs and Fifty-seven thousand only) per annum.
  - b. Other Allowances  
Mr. Nuguri Venu shall be entitled for other allowances including leave travel concession, as agreed between Mr. Nuguri Venu and the Board from time to time. However, the aggregate monetary value of all allowances of whatsoever nature, in a financial year, shall not exceed INR 1,16,38,000/- (Rupees One crore, Sixteen lakhs and thirty-eight thousand only).
  - c. Social Security  
Mr. Nuguri Venu shall be entitled to social security which includes contributions to Provident Fund and Gratuity Fund, as agreed between Mr. Nuguri Venu and the Board of Directors from time to time. However, the aggregate monetary value of the above in a financial year, shall not exceed INR 29,34,522/- (Rupees Twenty-nine lakhs Thirty-four thousand Five-hundred and twenty two only).
  - d. Bonus  
Mr. Nuguri Venu shall be entitled to annual Performance Bonus not exceeding INR 1,74,57,000/- (Rupees One crore, Seventy-four lakhs and Fifty-seven thousand only) per annum, if he achieves 100% of the business targets fixed through the Annual Incentive Plan; provided however that the actual amount of performance bonus shall vary depending upon the shortfall or exceeding the performance achievement.
  - e. Other Perquisites allowance  
In addition to the above Mr. Nuguri Venu is also eligible for free furnished accommodation or House Rent Allowance to a maximum ceiling of INR 29,09,500/- (Rupees Twenty-nine lakhs Nine thousand and Five hundred only) per annum i.e. 10% of Basic pay and other allowances, wherein such allowance shall be paid irrespective of spending towards housing, one Company car with reimbursement of Chauffeur's salary, expenses towards children schooling, payment of membership subscription fee for a club, reimbursement of salary for domestic help, security guard at residence, expenses towards medical for self and family, mobile, telephone, internet and other suitable communication facilities at his residence.  
Mr. Nuguri Venu will be covered under Company's Mediclaim Policy, Personal Accident Insurance, Mutual Family Assistance, Life Insurance Scheme as per the rules of the Company/Group's Policy for the time being in force.

## f. Leave

Leave with full pay or encashment as per the rules of the Company for the time being in force.

## g. Over-all Remuneration

The aggregate of salary, performance bonus and perquisites in any financial year shall not exceed the limits prescribed from time to time under Section 197 and other applicable provisions of the Companies Act, 2013 read with Schedule V to the said Act, for the time being in force.

## h. Minimum Remuneration

In case of loss or inadequacy of profits in any financial year during the currency of tenure of his service, the payment of salary, commission and perquisites shall be governed by the limits prescribed under Section II of Part II of Schedule V to the Companies Act, 2013.

## i. Long term incentive plan and cash retention award as may be decided by the Board of Directors

## j. Revision in Remuneration

The remuneration payable to Mr. Nuguri Venu as Managing Director and CEO to be subject to revision from time to time (annually and/or otherwise), by the Board of Directors of the Company at their discretion.

## 6. Mr. Nuguri Venu shall be entitled to:

- a. The reimbursement of entertainment expenses actually and properly incurred by him in the course of the legitimate business of the Company in accordance with the rules and regulations of the Company in force from time to time or as may be approved by the Board of Directors, and
- b. The reimbursement of travelling, hotel and other expenses incurred by him in India and abroad exclusively on the business of the Company in accordance with the rules and regulations of the Company in force from time to time or as approved by the Board of Directors.

## 7. Mr. Nuguri Venu shall not be entitled for any sitting fee for attending the Meetings of the Board of Directors or Committees thereof, as long as he functions as the Managing Director and CEO.

## 8. Mr. Nuguri Venu shall not be subject to retirement by rotation, as long as he functions as the Managing Director and CEO.

## 9. Mr. Nuguri Venu shall not, during the term of the Agreement entered into with the Company, engage himself, either directly or indirectly or be interested in any capacity whatsoever or render assistance to any firm, company or

persons whatsoever whether as a manufacturer, dealer or trader in goods or products which are of the same or similar kind and nature as those of the Company.

## 10. Mr. Nuguri Venu shall not during the continuance of his tenure as MD and CEO with the Company or at any time thereafter divulge or disclose to any person whomsoever or to make any use whatsoever for his own purpose or for any purpose other than that of the Company any information or knowledge obtained by him during his tenure as MD and CEO as to the business or affairs of the Company or its methods or as to any trade secret processes of the Company. Mr. Nuguri Venu shall during the continuance of this tenure as MD and CEO hereunder also use his best endeavours to prevent any other person from so doing provided however that such divulgence or disclosure by Mr. Nuguri Venu to officers and employees of the Company for the purpose of business of the Company shall not be deemed to be a contravention to this clause.

## 11. If Mr. Nuguri Venu shall at any time be prevented by ill-health or accident or any physical or mental disability from performing his duties hereunder, he shall inform the Company and supply it with such details as it may reasonably require, and if he shall be unable by reason of ill-health or accident or disability for a period of 6 months in any period of twelve consecutive calendar months to perform his duties hereunder, the Company may forthwith terminate his Agreement as MD and CEO hereunder.

## 12. The Company shall be entitled to terminate Mr. Nuguri Venu's Agreement as the Managing Director and CEO and / or his office as Director forthwith, if he becomes insolvent or makes any composition or arrangement with his creditors or ceases to be a Director of the Company.

## 13. If Mr. Nuguri Venu is guilty of inattention to or negligence in the conduct of the business or any other act or omission inconsistent with his duties as the Managing Director or any breach of the Agreement entered into with the Company, which in the opinion of the Board, renders his retirement from office of the Managing Director and CEO desirable, the Company by not less than 6 months' notice in writing to Mr. Nuguri Venu, determine the Agreement entered into between Company and Mr. Nuguri Venu and upon his expiration of such notice Mr. Nuguri Venu shall cease to be a Managing Director and CEO of the Company.

## 14. Notwithstanding anything to the contrary contained in the Agreement entered into between Company and Mr. Nuguri Venu, either party shall be entitled to terminate the Agreement at any time by giving to the other party 6 months' notice in writing in that behalf without the necessity of showing any cause and in cease to be a Managing Director and CEO of the Company and upon serving such notice Mr. Nuguri Venu shall cease to be the Managing Director and CEO / Director of the Company.

## 15. The terms and conditions of the said appointment and the agreement entered into between Company and Mr. Nuguri

Venu may be altered or varied or modified from time to time by the Board of Directors of the Company as may be permissible and if deem fit, with liberty to the Board of Directors of the Company for annual review of remuneration, so as not to exceed the limits specified in the Companies Act, 2013 or any amendments made thereto.

Additional information including brief profile in respect of Mr. Nuguri Venu pursuant to the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard on General Meetings is provided at **Annexure I** to this notice.

The Board of Directors are of the opinion that Mr. Nuguri Venu's vast knowledge and varied experience will be of great value to the Company and recommend the Resolution for approval as Ordinary Resolution as set out at item No. 8 of the Notice.

Mr. Nuguri Venu is interested in the resolution at item No. 8 of the Notice since it relates to his re-appointment as Managing Director and CEO of the Company and to the remuneration payable to him as Managing Director and CEO. No other Director or key managerial personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution at Item 8.

#### **Item No. 9:**

Previously, the Members of the Company vide postal ballot notice dated April 30, 2020, had approved the payment of commission to the Non-Executive Independent Directors, upto an amount not exceeding in the aggregate 1% per annum of the net profits of the Company.

Now, keeping in view the increased responsibilities of the Independent Directors entrusted by the Companies Act, 2013 and the Listing Regulations, as well as for their valuable devotion and continuing meaningful contributions and also in line with the re-appointment tenure of Independent Directors for the second term of 5 years, it is considered appropriate that the Independent Directors of the Company are compensated reasonably, commensurating with their increased responsibilities.

It is therefore proposed that Independent Directors be paid remuneration by way of commission of an amount, not exceeding in the aggregate 1% per annum of the net profits of the Company, computed in accordance with Section 198 of the Companies Act, 2013, in accordance with the recommendations of the Nomination and Remuneration Committee and determined by the Board of Directors of the Company, for a period of five years commencing from April 1, 2022 to March 31, 2027. Such payment will be in addition to the sitting fees for attending Board/ Committee meetings from time to time.

Since the Company has a Managing Director, the commission payable to Non-Executive Directors, pursuant to Section 197(1) of the Companies Act, 2013 cannot exceed in the aggregate 1% of the net profits of the Company.

Approval of the Members is sought by way of an Ordinary Resolution under Section 197 of the Companies Act, 2013 and

Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the payment of remuneration by way of commission to the Independent Directors.

Brief resume of all the Independent Directors along with their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board Committees and shareholding, etc., as stipulated under the Listing Regulations, are provided in **Annexure I** to this notice.

The Board of Directors recommend the Resolution for approval as Ordinary Resolution as set out at item No. 9 of the Notice.

Each of the Independent Directors namely, Mr. Mukesh Hari Butani, Ms. Akila Krishnakumar and Ms. Nishi Vasudeva, who is eligible to receive remuneration by way of commission as aforesaid is interested in the Ordinary Resolution to the extent of the commission payable to them individually.

None of the other Directors and / or Key Managerial Personnel of the Company and/or their respective relatives, is concerned or interested, financially or otherwise, in the Ordinary Resolution set out at item No.9 of the Notice.

#### **Item No. 10:**

For the execution of various projects awarded to the Company in various countries, the Company has set-up several branches outside India. Further, the Company may also open new branches outside India in future. For carrying out the audit of the accounts of such branches, it is necessary to appoint Branch Auditors. The Members are requested to authorise the Board of Directors/ Audit Committee of the Company to appoint Branch Auditors and to fix their remuneration.

The Board recommends the Ordinary Resolution, as set out at Item No. 10 of the Notice, for approval by the Members.

None of the other Directors and / or Key Managerial Personnel of the Company and / or their respective relatives, is concerned or interested, financially or otherwise, in the Ordinary Resolution set out at Item No. 10 of the Notice.

By Order of the Board of Directors  
For **Hitachi Energy India Limited**  
(formerly known as ABB Power Products and Systems India Limited)

Poovanna Ammatanda  
General Counsel & Company Secretary  
FCS-4741

Place : Bengaluru  
Date : May 27, 2022

Registered Office:  
8<sup>th</sup> Floor, Brigade Opus, 70/401, Kodigehalli Main Road,  
Bengaluru - 560 092  
CIN: L31904KA2019PLC121597  
Phone: 080 68473700

## Annexure I to AGM Notice

DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT AT THE 3<sup>RD</sup> ANNUAL GENERAL MEETING [PURSUANT TO SECRETARIAL STANDARD 2 (SS-2) ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA (ICSI) AND REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015]

<b>Name of the Director</b>	<b>Achim Michael Braun</b>
DIN	08596097
Date of Birth & Age	February 20, 1969 53 years
Nationality	Germany
Date of Appointment on the Board	February 25, 2021
Qualifications	Master's degree in Business Administration from the University of Regensburg, Germany.
Expertise in specific functional area	Power grid business and refer information mentioned below and brief profile section
Shareholding in the Company	NIL
Directorship held in other companies	Hitachi Energy (China) Limited
Committee positions held in other companies	NIL
Number of Board Meetings attended during the financial period 2021-22	During the financial period 2021-22, he has attended 6 board meetings*
Relationships with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any other Director and / or Key Managerial Personnel of the Company
Remuneration details (last drawn remuneration including Sitting Fees & Commission)	Not drawing any remuneration or commission or sitting fees in the capacity of Director from Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited)
Details of remuneration sought to be paid	NIL
Occupation	Service
Brief Profile	Mr. Achim Michael Braun is the Chairman and Non-Executive Director of the Company. Achim Braun is the Head of Human Resources at Hitachi Energy Ltd. He joined Hitachi Energy Ltd's predecessor in 2018, serving as Senior Vice President for Human Resources. Prior to this, Achim worked in different leadership roles at Continental, Schaeffler and as Vice President for Human Resources Europe & Africa at the Lear Corporation.
Key terms and conditions of appointment	He is a Non-Executive, Non-Independent Director of the Company. He is required to comply with the applicable provisions of the Companies Act and SEBI Regulations and other applicable laws.

\* Appointed as Chairman and Non-Executive Director w.e.f. February 25, 2021

<b>Name of the Director</b>	<b>Mukesh Hari Butani</b>	<b>Akila Krishnakumar</b>
DIN	01452839	06629992
Date of Birth & Age	May 2, 1964 58 years	March 31, 1962 60 years
Nationality	Indian	Indian
Date of Appointment on the Board	December 24, 2019	December 24, 2019
Qualifications	He holds a bachelor's degree in commerce from Mumbai University. He is a certified Chartered Accountant from the Indian Institute of Chartered Accountants	She is an alumnus of Birla Institute of Technology and Sciences
Expertise in specific functional area	Taxation laws and refer information mentioned above	Diverse business knowledge and refer information mentioned above
Shareholding in the Company	NIL	NIL
Directorship held in other companies	<ul style="list-style-type: none"> <li>Dabur India Limited</li> <li>Latent View Analytics Limited</li> <li>BR Business Solutions Private Limited</li> <li>Grams Tax Guild Private Limited</li> <li>International Tax Research and Analysis Foundation</li> <li>Sheares Healthcare India Holdings Pte Ltd</li> </ul>	<ul style="list-style-type: none"> <li>IndusInd Bank Ltd.</li> <li>Matrimony.com Limited</li> <li>Medwell Ventures Private Limited</li> <li>Brookprop Management Services Private Limited</li> <li>Bharat Financial Inclusion Limited</li> </ul>
Committee positions held in other companies	<ul style="list-style-type: none"> <li>International Tax Research and Analysis Foundation</li> <li>Member of Research Committee</li> </ul>	<ul style="list-style-type: none"> <li>IndusInd Bank Ltd.</li> <li>Chairperson of Nomination and Remuneration Committee</li> <li>Chairperson of Corporate Social Responsibility Committee</li> </ul>
	<ul style="list-style-type: none"> <li>Dabur India Limited</li> <li>Member of Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>Matrimony.com Limited</li> <li>Member of Nomination and Remuneration Committee</li> <li>Member of Risk and Governance Committee</li> </ul>
	<ul style="list-style-type: none"> <li>Latent View Analytics Limited</li> <li>Member of Audit Committee</li> </ul>	



	Sheares Healthcare India Holdings Pte Ltd • Member of Audit Committee	
Number of Board Meetings attended during the financial period 2021-22	During the financial period 2021-22, he has attended 7 board meetings	During the financial period 2021-22, she has attended 7 board meetings
Relationships with other Directors, Manager and other Key Managerial Personnel of the Company	He is not related to any other Director and/ or Key Managerial Personnel of the Company	She is not related to any other Director and/ or Key Managerial Personnel of the Company
Remuneration details (last drawn remuneration including Sitting Fees & Commission)	Not drawing any remuneration. Drawing only sitting fees and commission in the capacity of Independent Directors of the Company. Refer Corporate Governance Report forming part of the Annual Report for details of payment of sitting fees and commission to Directors.	
Details of remuneration sought to be paid	NIL	NIL
Occupation	Practicing Taxation Lawyer	Self-employed professional
Brief Profile	<b>Mr. Mukesh Hari Butani</b> is an Independent Director of the Company. He holds a bachelor's degree in commerce from Mumbai University. He is a certified chartered accountant from the Indian Institute of Chartered Accountants. He founded BMR Legal Advocates, a tax law firm in India.	<b>Ms. Akila Krishnakumar</b> is an Independent Director of the Company. She is an alumnus of Birla Institute of Technology and Sciences. She was previously the president – global technology and country head of SunGard, which was acquired by Fidelity National Information Services, Inc.
Key terms and conditions of appointment	He is a Non-Executive Independent Director of the Company. He is required to comply with the applicable provisions of the Companies Act and SEBI Regulations and other applicable laws. The other terms and conditions of appointment are given at following link: <a href="https://www.hitachienergy.com/in/en/investor-relations/board-of-directors">https://www.hitachienergy.com/in/en/investor-relations/board-of-directors</a>	She is a Non-Executive Independent Director of the Company. She is required to comply with the applicable provisions of the Companies Act and SEBI Regulations and other applicable laws. The other terms and conditions of appointment are given at following link: <a href="https://www.hitachienergy.com/in/en/investor-relations/board-of-directors">https://www.hitachienergy.com/in/en/investor-relations/board-of-directors</a>

Name of the Director	Nishi Vasudeva	Nuguri Venu
DIN	03016991	07032076
Date of Birth & Age	March 30, 1956 66 years	September 17, 1965 56 years
Nationality	Indian	Indian
Date of Appointment on the Board	December 24, 2019	December 2, 2019
Qualifications	She holds a bachelor's degree in economics from Delhi University and is an alumnus of Indian Institute of Management, Calcutta.	He holds a bachelor's degree in electrical engineering from National Institute of Technology, Warangal, and has attended management courses at the Indian Institute of Management, Ahmedabad, Indian School of Business, Hyderabad and International Institute of Management Development, Switzerland.
Expertise in specific functional area	Diverse business knowledge and refer information mentioned above	Power grid business and refer information mentioned above and brief profile section
Shareholding in the Company	NIL	NIL
Directorship held in other companies	<ul style="list-style-type: none"> <li>HCL Technologies Limited</li> <li>L&amp;T Finance Holdings Limited</li> <li>L&amp;T Infra Credit Limited (formerly known as L&amp;T Infra Debt Fund Limited)</li> <li>L&amp;T Finance Limited</li> <li>Atria Convergence Technologies Limited</li> </ul>	<ul style="list-style-type: none"> <li>Hitachi Energy Technology Services Private Limited (formerly known as ABB Power Technology Services Private Limited)</li> <li>PT Hitachi Sakti Energy Indonesia (Formerly known as PT ABB Power Grids Indonesia)</li> <li>Hitachi Energy Australia PTY Ltd.</li> <li>Hitachi Energy Singapore Pte. Ltd.</li> </ul>
Committee positions held in other companies	HCL Technologies Limited <ul style="list-style-type: none"> <li>Member of Audit Committee</li> <li>Member of Risk Management Committee</li> </ul>	Hitachi Energy Technology Services Private Limited (formerly known as ABB Power Technology Services Private Limited) <ul style="list-style-type: none"> <li>Member of Corporate Social Responsibility</li> </ul>
	L&T Finance Holdings Limited <ul style="list-style-type: none"> <li>Member of Stakeholders' Relationship Committee</li> <li>Member of Corporate Social Responsibility Committee</li> <li>Member of Nomination and Remuneration Committee</li> </ul>	
	L&T Infra Credit Limited (formerly known as L&T Infra Debt Fund Limited) <ul style="list-style-type: none"> <li>Member of Audit Committee</li> <li>Member of Corporate Social Responsibility Committee</li> <li>Member of Nomination and Remuneration Committee</li> <li>Member of Risk Management Committee</li> <li>Member of Stakeholders' Relationship Committee</li> <li>Member of IT Strategy Committee</li> </ul>	

	L&T Finance Limited <ul style="list-style-type: none"> <li>Member of Nomination and Remuneration Committee</li> <li>Member of Corporate Social Responsibility &amp; ESG Committee</li> <li>Chairperson of IT Strategy Committee</li> </ul>	
	Atria Convergence Technologies Limited <ul style="list-style-type: none"> <li>Member of Audit Committee-Member</li> <li>Member of Corporate Social Responsibility Committee</li> </ul>	
Number of Board Meetings attended during the financial period 2021-22	During the financial period 2021-22, she has attended 7 board meetings	During the financial period 2021-22, he has attended 7 board meetings
Relationships with other Directors, Manager and other Key Managerial Personnel of the Company	She is not related to any other Director and/ or Key Managerial Personnel of the Company	He is not related to any other Director and/ or Key Managerial Personnel of the Company
Remuneration details (last drawn remuneration including Sitting Fees & Commission)	Not drawing any remuneration. Drawing only sitting fees and commission in the capacity of Independent Directors of the Company. Refer Corporate Governance Report forming part of the Annual Report for details of payment of sitting fees and commission to Directors.	Not drawing sitting fees and commission. Refer Corporate Governance Report forming part of the Annual Report for details of payment of last drawn remuneration.
Details of remuneration sought to be paid	NIL	Please refer explanatory statement forming part of AGM Notice for the proposed remuneration details of Mr. Nuguri Venu.
Occupation	Retired	Service
Brief Profile	<b>Ms. Nishi Vasudeva</b> is an Independent Director of the Company. She holds a bachelor's degree in economics from Delhi University and is an alumnus of Indian Institute of Management, Calcutta. She was the chairman and Managing Director of Hindustan Petroleum Corporation Limited till March 2016.	<b>Mr. Nuguri Venu</b> is the Managing Director and CEO of the Company. He holds a Bachelors degree in Electrical Engineering National Institute of Technology, Warangal, and has attended management courses at the Indian Institute of Management, Ahmedabad, Indian School of Business, Hyderabad and International Institute of Management Development, Switzerland. He was previously the senior group vice president of the power grids business – South Asia, Middle East and Africa. He was the president of the power systems department of ABB India Limited and was also a part of the group's global power systems leadership team. He is presently the head of the power grids business for South Asia region.
Key terms and conditions of appointment	She is a Non-Executive Independent Director of the Company. She is required to comply with the applicable provisions of the Companies Act and SEBI Regulations and other applicable laws. The other terms and conditions of appointment are given at following link: <a href="https://www.hitachienergy.com/in/en/investor-relations/board-of-directors">https://www.hitachienergy.com/in/en/investor-relations/board-of-directors</a>	He is an Executive Director. Refer explanatory statement forming part of AGM Notice. He is required to comply with the applicable provisions of the Companies Act and SEBI Regulations and other applicable laws.

By Order of the Board of Directors  
**For Hitachi Energy India Limited**  
(formerly known as ABB Power Products and Systems India Limited)

Poovanna Ammatanda  
General Counsel & Company Secretary  
FCS-4741

Place : Bengaluru  
Date : May 27, 2022

Registered Office:  
8<sup>th</sup> Floor, Brigade Opus, 70/401, Kodigehalli Main Road,  
Bengaluru - 560 092  
CIN: L31904KA2019PLC121597  
Phone: 080 68473700

# Board's Report

Your Directors have pleasure in presenting their Third Annual Report and Audited Accounts for the financial period ended March 31, 2022.

## 1. Financial results:

(Amount in INR Crores)

Particulars	01.01.2021 to 31.03.2022	01.01.2020 to 31.12.2020
Profit before tax and exceptional items	240.74	171.78
Profit before tax and after exceptional items	276.59	136.28
Tax expense:		
- Current tax	87.83	60.12
- Deferred tax	(14.64)	(23.64)
Profit after tax (1)	203.40	99.80
Other comprehensive income / (loss) (net of tax) (2)	4.95	(6.04)
Total (1+2)	208.35	93.76
Balance brought forward from previous year	408.52	315.82
Transition adjustment due to adoption of Ind AS 116 "Leases"	-	(1.06)
Amount available for appropriation	616.87	408.52
Appropriations:		
Equity dividend paid	8.48	-
Tax on equity dividend paid	-	-
Debenture redemption reserve	-	-
General reserve	-	-
Balance carried forward	608.39	408.52

## 2. Dividend:

Your Directors recommend payment of final dividend at the rate of INR 3.00/- (Rupees Three only) per equity share for the financial period ended March 31, 2022 on 4,23,81,675 equity shares of INR 2/- each fully paid.

## 3. Performance review:

During the financial period ended March 31, 2022, orders touched INR 4,548.1 crore as against INR 3,217.7 crore as on December 31, 2020. The orders witnessed a healthy growth reflecting the technology push and continued traction in transformers and system integration. The order backlog at the end of the year stood at INR 4,672.3 crore (December 31, 2020 was INR 4,954.8 crore) which continued to provide visibility to the future revenue streams. The total income for your Company for the financial period ended March 31, 2022 stood at INR 4,950.9 Crore (December 31, 2020 was INR 3,438.9 crore), reflecting stability of operations in an uncertain market situation. Profit before tax after exceptional items was INR 276.6 Crore (December 31, 2020 was INR 136.3 crore). Accordingly, net profit after tax was INR 203.4 crore (December 31, 2020 was INR 99.8 crore). The earnings per share for the financial period ended March

31, 2022, stood at INR 47.99 (December 31, 2020 was INR 23.55).

For detailed analysis of the performance, including industry overview, changes and outlook please refer to the Management's Discussion and Analysis Report provided in **Annexure – A**, forming part of this Report.

There has been no change in the nature of business during the financial period under review.

## 4. COVID-19:

To protect our people during the COVID-19 pandemic, your Company decided to test, treat, track, vaccinate, conform to COVID appropriate behavior and reinforce awareness. Through a solid Company-wide governance consisting of teams at the country and local levels, the program was rolled out, communicating safety protocols and enforcing safe behavior. In addition to regular sanitization of facilities and travel guidance, masks were provided to all employees and vaccination drives were organized for all employees and their families. Random screening and mass testing of employees was conducted to identify, isolate and treat. Tracking was done for all contacts of COVID positive cases and quarantine was

enforced. All employees testing COVID positive were given treatment and home isolated; in case of aggravated problems they were admitted in hospitals and their progress and health status was monitored by doctors. Oxygen concentrators were procured and deployed to employees' homes, for those that required oxygen until they got admitted in the hospital. In addition, a tie-up with external agency was put in place for home care services, diagnostic support and admissions and follow-up of all positive cases. To support employees through these trying times, besides 24x7 health care support by medical professionals, mental health and psychological care was prioritized through an employee assistance program. Regular webinars and virtual awareness sessions were conducted for families by company doctors and external experts and resilience trainings were organized.

Your Company managed delivery with resilience through pandemic-imposed challenges – factory lockdowns, geographic lockdowns, supply chain disruptions, mobility restrictions, and demonstrated a credible performance, thanks to a best-in-class manufacturing base and globally respected technology portfolio managed by your Company.

#### **Preserve business continuity**

Your Company maintained business continuity through tenuous times, and ensured its customers met timelines of all mission critical projects. As things began to normalize, employees returned to work, the Company redesigned workspaces and deployed new work-flow protocols to ensure social distancing and reduced physical contact. Extra shifts were added to space out the work as required.

### **5. New Factories in pipeline:**

Self-reliance is becoming key in the increasingly volatile geo-political landscape. Your Company actively worked towards increasing its market share in the high voltage segment with investment in portfolio expansion in the Gas Insulated Switchgear (GIS) space. According to International Energy Agency (IEA), India will need to add a grid equivalent the size of European Union by 2040. Such expansions are catering to the potential generated by this growth.

Further, as per the recommendation from the Central Electricity Authority (CEA), all major utilities are likely to switch to GIS from air insulated switchgear to conserve space, meet power demand and ensure grid reliability and sustainability. As the electrical grid expands and reaches remote corners, the national utility was also considering the switch from conventional bushings to safer and durable dry bushings for transformer. Your Company has established a local manufacturing base of dry bushings, at your Company's facility in Maneja, Vadodara in anticipation of this growing opportunity.

Your Company is increasing the capacity of medium voltage capacitors. This unit proposed to be in Doddaballapur Industrial Area, Bengaluru, will also cater to low and medium voltage power quality panels and R&D. It will have state-of-the-art processes including robotic painting and automatic conveyor systems to address advance needs of safety and quality.

Investments for these facilities are being made out of internal cash accruals. For your Company, these investments will bring operational efficiency and improve its market competitiveness. They will also generate additional volume and EBIT.

### **6. Demerger of the Power Grids Business:**

#### **A. Scheme of Arrangement:**

A Scheme of Arrangement ("Scheme") was entered into between (i) ABB India Limited ("INABB" / "Transferor") and ii) your Company ("Company" / "Transferee") and their respective shareholders and creditors, pursuant to the provisions of Section 230 to 232 and other applicable provisions of the Companies Act, 2013, ("Act") which provided for *inter alia* the Demerger of the Power Grids Business of INABB ("Demerged Undertaking") and the consequent issuance of equity shares by your Company to the shareholders of INABB as per the share entitlement ratio.

The Scheme was approved by your Board of Directors pursuant to its resolution dated March 5, 2019 and the Board of Directors of INABB pursuant to its resolution dated March 5, 2019. Pursuant to an order dated June 27, 2019, passed by the National Company Law Tribunal, Bengaluru Bench, ("NCLT"), meetings of the equity shareholders and the creditors of INABB were convened. The equity shareholders and the creditors of INABB approved the Scheme at court convened meetings, each held on August 9, 2019. The NCLT approved the Scheme on November 27, 2019. The Appointed Date of the Scheme was April 1, 2019 and the Effective Date was December 1, 2019.

The Scheme provided for the transfer by way of a demerger of the Demerged Undertaking and the consequent issue of equity shares by your Company to the Members of INABB in accordance with the share entitlement ratio, and various other matters consequential or integrally connected therewith, including the re-organisation of the share capital of the Transferee, pursuant to Sections 230 to 232 of the Act, the SEBI circulars and in compliance with the Income Tax Act, 1961.

#### **B. Acquisition and disposal of shares related to Promoter and Promoter Group:**

3,17,86,256 equity shares aggregating 75 percent of the paid-up capital of your Company was

transferred from ABB Asea Brown Boveri Ltd. to ABB Ltd. by way of dividend in kind, and subsequently from ABB Ltd. to Hitachi Energy Ltd. (formerly known as Hitachi ABB Power Grids AG) as contribution in kind (as disclosed by the Members) on February 05, 2021.

179 Equity shares (representing 0.0004% of paid-up share capital) were tendered in the open offer that concluded on September 2020 were acquired by ABB Switzerland Ltd. Out of 179 shares tendered in the open offer, 1 share in physical form was transferred to ABB Switzerland Ltd., during quarter ended December 31, 2020. The said Equity share which was held in physical form as on March 31, 2021 was converted into demat form and credited into demat account of ABB Switzerland Ltd., during the quarter ended June 30, 2021.

During the quarter ended June 30, 2021, ABB Switzerland Ltd., one of the promoters of the Company divested 179 (one hundred and seventy nine) equity shares, in accordance with the requirements of Rule 19(2)(b) and Rule 19(A) of the Securities Contracts (Regulation) Rules, 1957 and Regulation 38 of the SEBI Listing Regulations, 2015 read with paragraph 2(a) and paragraph (3) of the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 in order for the Company to ensure compliance with the minimum public shareholding requirements specified under law.

Consequent to such divestment, the promoter shareholding is 3,17,86,256 equity shares and public shareholding is 1,05,95,419 equity share which is equivalent to 75% and 25% of the total paid-up capital of the Company respectively.

#### **C. Change in name of the Company:**

During the period under review, following the recent rebranding of your Company's parent company to Hitachi Energy, and in keeping with its vision of becoming a part of Hitachi Energy group, the name of the Company was changed to "Hitachi Energy India Limited". The rebranding comes as one of the many actions being undertaken as part of transition into Hitachi Energy group. The new name – Hitachi Energy India Limited – reflects the Company's pioneering technologies and services to existing and future customers expanding beyond the grid – opening up a breadth of opportunities in areas such as sustainable mobility and smart life, and contributing further economic, environmental and social value.

Consequent to the postal ballot exercise and Company's application for name change, the Registrar of Companies, Karnataka, Ministry of Corporate Affairs had issued the fresh certificate of

incorporation dated November 12, 2021 confirming change in the name of the Company from "ABB Power Products and Systems India Limited" to "Hitachi Energy India Limited" effective from November 12, 2021. This change in name also involved consequent amendment of Memorandum of Association and Articles of Association of the Company.

The security name of the Company on BSE Limited and National Stock Exchange of India Limited is Hitachi Energy India Limited with BSE scrip code '543187' and NSE scrip symbol 'POWERINDIA'.

#### **D. Amendment of Memorandum of Association and Articles of Association of the Company:**

During the financial period under review, consequent to the change in name of the Company, the Memorandum of Association and Articles of Association of your Company were also amended to reflect new name.

#### **E. Change in Financial year of the Company:**

Your Company's financial year for the previous year was from January 01, 2020 to December 31, 2020.

However, during the financial period under review, and subsequent to the transfer of shares held by promoters from ABB Asea Brown Boveri Ltd., to ABB Ltd., and then to Hitachi Energy Ltd. (formerly known as Hitachi ABB Power Grids Ltd.), given that the financial year of Hitachi Energy Ltd., is April – March and to enable alignment of the financial year of your Company with that of its current Promoter company - Hitachi Energy Ltd. (formerly known as Hitachi ABB Power Grids Ltd.), the Board of Directors at their meeting held on February 26, 2021 had approved the change of financial year of the Company from January 01 - December 31 to April 01 - March 31. Consequently, the reporting financial year was changed from January 01, 2021- December 31, 2021 to January 01, 2021 - March 31, 2022 (15 months period) and, thereafter, the financial year of the Company would be from April 01 to March 31 of every year. Therefore, first half year of the Company was from January 01, 2021 to June 30, 2021 (6 months) and second half year of the Company was from July 01, 2021 to March 31, 2022 (9 months period) and going forward, the first half year of the Company would be from April 01 to September 30, and the second half year of the Company would be from October 01 to March 31. Based on the above, your Company had published statement of assets and liabilities as at June 30, 2021 and statement of cash flows for six months ended June 30, 2021 pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



Accordingly, your Company had not published statement of assets and liabilities as at December 31, 2021 and statement of cash flows for twelve months ended December 31, 2021. During the period under review, based on the directions received from Regional Director, South East Region, your Company had filed an application with the Regional Director seeking approval for change of financial year and the Company has received such approval from Regional Director, South East Region for change of financial year as stated above.

## 7. Annual Return:

The Annual Return of the Company as on March 31, 2022 in Form MGT - 7 in accordance with Section 92(3) of the Companies Act 2013 (the Act) read with the Companies (Management and Administration) Rules, 2014, is available on the website of the Company at: <https://www.hitachienergy.com/in/en/investor-relations/general-meetings#annual-general-meeting>

## 8. Board and Committee meetings held during the period:

During the financial period under review, seven (7) meetings of the Board of Directors were held. The details of Board and Committee meeting dates are furnished in the Corporate Governance Report.

## 9. Independent Directors and compliance on criteria of independence by the Independent Directors:

The following Independent Directors were appointed during the financial year 2019 and the Board is of the view that they have adequate expertise, experience and proficiency.

**Mr. Mukesh Butani** holds a bachelor's degree in commerce from Mumbai University. He is a certified Chartered Accountant from The Indian Institute of Chartered Accountants of India. He founded BMR Legal Advocates, a tax law firm in India. He has expertise in taxation laws.

**Ms. Akila Krishnakumar** is an alumna of Birla Institute of Technology and Sciences. She was previously the president – global technology and country head of Sun Gard, which was acquired by Fidelity National Information Services, Inc. She has expertise in diverse business profiles.

**Ms. Nishi Vasudeva** holds a bachelor's degree in economics from Delhi University and is an alumna of Indian Institute of Management, Kolkata. She was the Chairperson and Managing Director of Hindustan Petroleum Corporation Limited till March 2016. She has expertise in diverse business profiles.

All Independent Directors of your Company have given declarations to the Company under Section 149 (7) of the

Act that they meet the criteria of independence as provided in Sub-Section 6 of Section 149 of the Act and also under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). All Independent Directors of your Company have also given declarations to your Company under Rule 6 of Companies (Appointment and Qualification of Directors) Rules 2014. In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and the Listing Regulations and are independent of management. The Independent Directors have affirmed compliance with the Code of Conduct, as on March 31, 2022. The Independent Directors also affirmed compliance under Section 150 with regard to Independent Directors databank enrollment. During the financial period under review, two separate meeting of the Independent Directors was held on February 26, 2021 and March 15, 2021.

The familiarization programme was organised during the financial period 2021-22 and details are available on the website of the Company at: <https://www.hitachienergy.com/in/en/investor-relations/board-of-directors>

## 10. Management Discussion and Analysis Report (MDAR):

The Management Discussion and Analysis Report (MDAR) is annexed as **Annexure – A** to this report.

## 11. Nomination and Remuneration Policy of the Company:

The Board of Directors re-constituted the Nomination and Remuneration Committee ("NRC") at their meeting held on February 26, 2021. The Nomination and Remuneration Policy of your Company for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management of the Company along with other related matters have been provided in the Corporate Governance Report.

As and when need arises to appoint Director, the Nomination and Remuneration Committee (NRC) of the Company will determine the criteria based on the specific requirements. NRC, while recommending candidature to the Board, takes into consideration the qualification, attributes, experience and independence of the candidate. Director(s) appointment and remuneration will be as per Nomination and Remuneration Policy of the Company.

The salient features of the Nomination and Remuneration Policy of the Company has been disclosed in the Corporate Governance Report, which is a part of this report. The said Policy is available on the Company's website on <https://www.hitachienergy.com/in/en/investor-relations/board-of-directors>.

A Statement of Disclosure of Remuneration pursuant to Section 197 of the Act read with Rule 5(1) of Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in **Annexure – B**, forming part of this report.

## 12. Dividend Distribution Policy:

As required under Regulation 43A of the Listing Regulations, your Company has a policy on dividend distribution. This policy can be accessed on your Company's website at <https://www.hitachienergy.com/in/en/investor-relations/corporate-governance>

## 13. Particulars of loans, guarantees or investments under Section 186 of the Act:

During the financial period under review, your Company has not granted any loans, guarantees or investments within the meaning of Section 186 of the Act.

## 14. Amount, if any, proposed to be transferred to Reserves:

For the financial period under review, your Company has proposed not to transfer any amount to the General Reserves.

## 15. Material changes and commitments, if any, affecting the financial position of the Company, having occurred since the end of the year and till the date of this report and disclosures:

Other than those mentioned in this Report, there has been no material changes and commitments, affecting the financial position of your Company having occurred between the end of the financial year to which the financial statements relate and the date of this Report.

## 16. Conservation of energy, technology absorption, foreign exchange earnings and outgo:

The particulars as prescribed under Section 134 of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo are given in **Annexure – C**, forming part of this report.

## 17. Risk Management Policy:

Your Company has a Risk Management Policy and constituted the Risk Management Committee as required under Companies Act 2013 and Listing Regulations. The Risk Management committee was re-constituted by the Board of Directors at their meeting held on February 26, 2021. The Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities with regard to enterprise risk management.

The details and the process of Risk Management are provided as part of Management's Discussion and Analysis which forms part of this Report. Further, the salient features of the Risk Management Policy of the Company has been disclosed in the Corporate Governance Report, which is a part of this report.

## 18. Corporate Social Responsibility initiatives:

The Board of Directors had constituted a Corporate Social Responsibility (CSR) Committee as required under the Act. Composition of the Committee and other details are provided in Corporate Governance Report which forms part of this Report.

The Company's focus on CSR activities are predominantly in the areas of promotion of gender equality and empowerment of women in engineering workforce, endorse education, employability & healthcare, social impact projects, support national disaster management, other Government initiatives and aid in sustainable development goals. Your Company has implemented various CSR projects directly and/or through implementing partners and the projects undertaken by your Company are in accordance with Schedule VII of the Act. During the financial period under review, your Company has partially spent the required amount on CSR activities and could not spend the complete amount as per statutory requirements due to COVID-19 pandemic and balance unspent amount will be spent in current financial year 2022-23. However, the unspent amount has been transferred to a dedicated bank account. Details of amount spent/unspent for the financial year 2020 and for the financial period 2021-22 as applicable has been provided in CSR report.

Further, detailed report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in **Annexure – D**, forming part of this Report.

## 19. Annual evaluation of Board, its Committees and Individual Directors:

The Board of Directors has carried out an annual evaluation of its performance, its Committees and Directors for the financial period 2021-22 (January 2021 to March 2022) in FY 2022-23 pursuant to the requirements of the Act and the Listing Regulations. The Board evaluation was conducted through questionnaire designed with qualitative parameters and feedback based on ratings. The questionnaire was revised to enable more comprehensive evaluation.

The key parameters considered for Board evaluation for financial period 2021-22 are Board Membership, Board's culture and relationship with key constituencies, Board Responsibilities, decision making and Board Committees. During evaluation process, the Directors have given rating of either 'Strongly agree' / 'Agree' on various assessment questions for financial period 2021-22 which is very encouraging.

The performance of the committees was also evaluated after seeking inputs from the committee members and key management persons other executives on the basis of criteria such as the composition of committees, independence of each Committee, frequency of meetings and time allocated for discussions at meetings, effectiveness of committee meetings.

Further, the Independent Directors, at their exclusive meeting held during the financial period, reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations. Further, the annual evaluation for FY 2020 was carried out in financial period FY 2021-22.

## 20. Audit Committee:

The details pertaining to composition of the Audit Committee and terms of reference are included in the Corporate Governance Report, which forms part of this Report. The Board has accepted all recommendations of Audit Committee, made during the financial period under review.

## 21. Related Party Transactions:

The Board of Directors have adopted a policy on Related Party Transactions. The objective is to ensure proper approval, disclosure and reporting of transactions as applicable, between your Company and any of its related parties.

All contracts or arrangements with related parties, entered into or modified during the financial period under review were at arm's length basis and in the ordinary course of the Company's business except for the transactions reported in Form AOC-2. The transactions falling within the definition of Related Party Transaction under the provisions of Section 188 of the Companies Act, 2013 (the Act), requiring disclosures to be made in Form AOC-2 pursuant to Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is provided in **Annexure – E**, forming part of this report.

All contracts or arrangements with related parties were entered into only with prior approval of the Audit Committee, except transactions which qualified as Omnibus transactions as permitted under law.

Transactions with related parties, as per requirements of Indian Accounting Standard have been disclosed in the accompanying financial statements.

During the period under review, benchmarking review of Related party transactions was carried out by Price Waterhouse & Co LLP (PwC) basis the recommendation of Audit committee and Board of Directors.

Further, pursuant to the recent amendments in the provisions related to Related Party Transactions as

amended by SEBI, the Company has revised the existing Policy on Related Party Transactions. Your Company's Policy on Related Party Transactions, as adopted by your Board, can be accessed on the Company's website at: <https://www.hitachienergy.com/in/en/investor-relations/corporate-governance>

Hitachi Energy Ltd. (formerly known as Hitachi ABB Power Grids Ltd.) is holding 75% shares in your Company as on March 31, 2022. The details of transactions with promoter/promoter group holding 10 percent or more shares have been disclosed in the accompanying financial statements and in AOC 2.

## 22. Environment, Social and Governance (ESG) Committee and Business Responsibility and Sustainability Report:

Your Company is dedicated towards reduction of carbon footprint and for its social and employees welfare and governance causes. The Company has constituted the Environment, Social and Governance (ESG) Committee in the Board meeting held on October 22, 2021. The charter and objectives of this Committee were adopted by the Committee and Board of Directors during the financial period under review. The work under ESG was commenced during financial period under review. As per SEBI Circular dated May 10, 2021, Business Responsibility Report has been replaced with a more comprehensive reporting process under Business Responsibility and Sustainability Report for the top 1000 listed companies (by market capitalization) and reporting under this was optional for the financial period under review and mandatory from the financial year 2022-23. However, your Company has voluntarily adopted this report for reporting the ESG matters for the financial period under review.

The details of the performance and reporting under ESG is included under Business Responsibility and Sustainability Report which is forming part of this report.

## 23. Reporting of frauds:

There was no instance of fraud during the financial period under review, which required the Statutory Auditors to report to the Audit Committee and/or Board under Section 143(12) of the Act and Rules framed thereunder.

## 24. Transfer to Investor Education and Protection Fund:

Pursuant to the Scheme of Arrangement (entered into between your Company, ABB India Limited and their respective Members and Creditors) approved by NCLT vide its order dated November 27, 2019, your Company on December 24, 2019, allotted equity shares to the Members of ABB India Limited. Out of 4,23,81,675 Equity shares allotted, 1,07,421 Equity Shares were directly

allotted to the IEPF account as a consequence of issue of Equity Shares by your Company to the shareholders of ABB India Limited in accordance with the Share Entitlement Ratio. Further, with regard to dividend declared in the second Annual General Meeting held on May 27, 2021, INR 2,13,136 (after deduction of taxes) relating to 1,07,421 Equity shares was directly credited into Investor Education and Protection Fund Authority account on May 31, 2021.

9,266 Equity Shares arising out of fractional shares were sold on July 27, 2020 and out of which 73.20 equity shares were pertaining to IEPF and corresponding net amount INR 49,932.30/- (after deduction of taxes) was deposited into Investor Education and Protection Fund Authority account on August 3, 2020.

Except for the reasons aforementioned with regard to transfer of shares and credit of amounts to IEPF account directly, since your Company was incorporated on February 19, 2019 and not over seven years, no other amount or shares were required to be transferred into IEPF account under Section 124 of the Act read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended from time to time.

Web-addresses of the Company where details of shares transferred to IEPF authority is disclosed: <https://www.hitachienergy.com/in/en/investor-relations/shareholder-information>

Details of Nodal Officer: Mr. Poovanna Ammatanda, General Counsel and Company Secretary.

## 25. Particulars of Employees including Remuneration of Directors and Employees:

The information on employee particulars, as required under Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time, are disclosed in **Annexure – F**. In terms of Section 136 of the Act, the Report and Financial Statements are being sent to the Members and others entitled thereto, excluding this Annexure. This Annexure shall be provided to Members on a specific request made in writing to the Company. The said information is available for inspection by the Members of the Company on any working day upto the date of the 3<sup>rd</sup> Annual General Meeting.

## 26. Directors' Responsibility Statement:

To the best of knowledge and belief and according to the information and explanations obtained by us, your Directors make the following statements in terms of Section 134(3)(c) and 134(5) of the Act, that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed

along with proper explanation relating to material departures;

- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at March 31, 2022, and of the profit and loss of the Company for the year ended on that date;
- c. they 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. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 27. Disclosure on confirmation with the Secretarial Standards:

Your Directors confirm that the applicable Secretarial Standards issued by the Institute of Company Secretaries of India have been duly complied with.

## 28. Corporate Governance Report and Certificate:

As required under Regulation 34(3) read with Schedule V (C) of the Listing Regulations, a report on Corporate Governance and the certificate as required under Schedule V (E) of the Listing Regulations from M/s V. Sreedharan & Associates, Practicing Company Secretaries, regarding compliance of conditions of Corporate Governance are provided in **Annexure – G** and **Annexure – H** respectively, forming part of this report.

## 29. Secretarial Audit:

Pursuant to provisions of Section 204 of the Act read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and amendments thereto, your Company engaged the services of M/s. BMP & Co. LLP, Company Secretaries, Bengaluru, to conduct the Secretarial Audit of your Company for the financial period ended March 31, 2022. The Secretarial Audit Report in Form MR-3 and Secretarial Compliance certificate is provided in **Annexure – I**, forming part of this report.



### 30. Whistle Blower Policy/Vigil Mechanism:

Your Company has adopted a vigil mechanism / whistle blower policy for Directors, Employees and third parties to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of conduct, leak of unpublished price sensitive information and related matters. The mechanism provides for adequate safeguards against victimization of whistle blowers who avail of the mechanism. The whistle blowers may also access their higher level/supervisors and/or the Audit Committee.

The Whistle Blower Policy / Vigil Mechanism is available on your Company's website: <https://www.hitachienergy.com/in/en/about-us/integrity/reporting-channels/whistleblower-protection-policy>

### 31. Directors and Key Managerial Personnel:

During the financial period under review, there were changes in the constitution of the Board. The Board is duly constituted with a mix of Executive, Non-Executive and Independent Directors.

Subsequent to the transfer of 75% shares held by promoters from ABB Asea Brown Boveri Ltd., to ABB Ltd., and then to Hitachi Energy Ltd., (formerly known as Hitachi ABB Power Grids Ltd.), the Board of Directors at their meeting held on February 25, 2021 appointed Mr. Achim Michael Braun (DIN:08596097) as Additional Director (Non-Executive and Non-Independent) and subsequently as Chairman of the Board and of your Company and Mr. Ismo Antero Haka (DIN:08598862) as Additional Director (Non-Executive and Non-Independent Director) of your Company both representing Hitachi Energy Ltd (formerly known as Hitachi ABB Power Grids Ltd), Mr. Nuguri Venu, the current Managing Director and Chief Executive Officer was also nominated representing Hitachi Energy Ltd and this was taken note of in the Board meeting held on February 25, 2021. Both Mr. Achim Michael Braun and Mr. Ismo Antero Haka have been appointed as Director liable to retire by rotation. Further, the proposal for regularisation of their appointment was also placed for approval of the Members of the Company in the Second Annual General Meeting held on May 27, 2021. At the meeting of the Board of Directors held on February 26, 2021, Mr. Nuguri Venu, Managing Director was designated as Managing Director and Chief Executive Officer. Mr. Mukesh Butani, Ms. Akila Krishnakumar and Ms. Nishi Vasudeva continued as Non-Executive and Independent Directors during the financial period under review.

Mr. Frank Duggan and Mr. Sanjeev Sharma resigned as Directors w.e.f. February 25, 2021 due to the reconstitution of the Board of Directors. Your Directors place on record their sincere appreciation of the valuable contribution made by them during their tenure as Directors.

In accordance with the provisions of the Companies Act, 2013 read with Articles of Association of the

Company, Mr. Achim Michael Braun (DIN:08596097), Director, is retiring by rotation at the ensuing Annual General Meeting of the Company, and being eligible, has offered himself for re-appointment.

Mr. Mukesh Butani (DIN: 01452839), Ms. Akila Krishnakumar (DIN: 06629992) and Ms. Nishi Vasudeva (DIN: 03016991) will be completing their first term as Independent Directors of the Company on December 23, 2022 and your Directors have proposed their re-appointment for a second term of five years commencing from December 24, 2022 to December 23, 2027 subject to the approval of the Members in the ensuing Annual General Meeting. The Independent Directors have given their consent for re-appointment and they have not been disqualified for re-appointment as Independent Directors for a second term of five years.

Further, based on the recommendations from the Nomination and Remuneration Committee, your Directors have proposed the re-appointment of Mr. Nuguri Venu (DIN: 07032076), Managing Director and CEO of the Company for a further period of five years with effect from December 2, 2022.

The Notice convening the Third Annual General Meeting includes the proposals for the re-appointment of the Directors. Brief resume of the Directors proposed to be appointed, nature of their expertise in specific functional areas and names of the Companies in which they hold directorship/ membership/ chairmanship of the Board or Committees, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have been provided as an annexure to the Notice convening the Third Annual General Meeting. Your Directors of the view that the Independent Directors have adequate experience and proficiency. None of the Directors of the Company are disqualified under Section 164(2) of the Companies Act, 2013.

During the financial period under review as on March 31, 2022 and as on date, Mr. Nuguri Venu, Managing Director and Chief Executive Officer, Mr. Ajay Singh, Chief Financial Officer, and Mr. Poovanna Ammatanda, General Counsel, Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company.

Details of Directors, Key Managerial Personnel and Composition of various Committees of the Board are provided in the Corporate Governance Report forming part of this report.

### 32. Deposits:

During the financial period under review, your Company did not accept any deposit within the meaning of the provisions of Chapter V – Acceptance of Deposits by Companies of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.



### 33. Share Capital and Debt structure:

There was no change in the share capital during the financial period under review.

Out of 4,23,81,675 equity shares allotted on December 24, 2019, your Company allotted 9,266 Equity shares (pursuant to fractional entitlements of Members of ABB India Limited as per share entitlement ratio) and the shares were allotted to APPSIL Fractional Shares Trust 2019 which was constituted specifically to hold the shares on behalf of the entitled Members of fractional shares in accordance with the Scheme of Arrangement and the same was sold in the market in financial year 2020. The sale proceeds were distributed amongst the entitled Members.

Pursuant to a resolution passed by the members of your Company in the Second AGM held on May 27, 2021, Members accorded approval to increase the existing borrowing limit to INR 6,000 crores, notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company's bankers in ordinary course of business) exceed the aggregate of the paid-up capital of the Company, its free reserves and securities premium.

The Company had outstanding short term borrowings of INR 125 crores as on March 31, 2022 utilized from the established credit lines with banks. CRISIL has assigned 'CRISIL A1+ (Assigned)' as Short Term Rating and 'CRISIL AAA/Stable/ (Assigned) as Long Term Rating for' the bank facilities of the Company with effect from January 04, 2021.

### 34. Adapting to the new norm:

Incorporating the learnings from the past year, your Company continued to engage with its customers, leverage digital tools and keep its teams agile and protected to maintain business continuity in the new norm.

Your Company deployed digital solutions for ensuring timely deliveries with remote factory acceptance tests, commissioning and product service and trainings. Over 400 RFATs were conducted across utilities and industries customers, for approval and processing of solutions from various businesses – High Voltage, Grid Automation and Transformers.

Ensuring that your Company's customer engagement stayed high, your Company conducted numerous virtual technical webinars, attended by participants from utilities, industries, transport and infrastructure segment across countries. Your Company continued to solidify its presence across virtual, hybrid and physical thought leadership dialogues in T&D, EV and data centers, as the market opened up.

Also as a result of this opening up, the Company increased its focus on diversifying and strengthening its

talent base as people returned to the job market and were seeking to be a part of a larger purpose and sustainable future.

Your Company strengthened its manufacturing capabilities. Expansion of 145 kilovolt ELK04 GIS product line in Savli, Gujarat, a feeder factory module assembly and an High Voltage test setup in Savli, Gujarat will enable cost reduction of ELK03 420 kV GIS products through local production. This will tap into the Indian transmission and distribution sector – poised to register a CAGR of 5.5 percent for the next five years – meet present and future demand of substation systems. The additional traction transformers capacity will help meet imminent demand from locomotives both domestically as well as abroad.

Your Company locally manufactures over 80% of Hitachi Energy's portfolio, with India as the manufacturing base of five global products. In line with the focus on self-reliance in a volatile world, while your Company diversify its supply chains, your Company also continue to invest in building local footprint and capabilities for manufacture of technology intensive offerings - augmenting the grid integration technology such as regulating device used on alternating current electricity transmission networks and power quality products to enable power transfer with the lowest environmental impact.

In keeping with the Government's renewable ambitions and plans to integrate electric mobility, the Company is commensurately adding to its digital portfolio – IdentiQ™, OceaniQ™ – along with enhancing its remote monitoring, analytics and services offered by the power consulting business.

As a pioneering technology leader, your Company's purpose is to advance a sustainable energy future for all for today's generations and those to come, thus placing our commitment firmly in enabling the Government's 2070 carbon neutral vision.

### 35. Significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company:

During the financial period under review, no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of your Company.

### 36. Internal financial control systems and their adequacy:

The details on Internal financial control systems and their adequacy are provided in the Management's Discussion and Analysis which forms part of this Report.

### 37. Disclosure as per the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013:

Your Company has zero tolerance towards sexual harassment at the workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and the Rules there under. As required under law, an Internal Complaints Committee has been constituted for reporting and conducting inquiry into the complaints made by the victim on the harassments at the work place. During the financial period under review, no case was reported.

### 38. Statutory Auditors:

Pursuant to provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W/ E300004) were appointed as Statutory Auditors, for a period of five years, to hold office from the conclusion of first Annual General Meeting until the conclusion of sixth Annual General Meeting at such remuneration as may be mutually agreed amongst by the Board of Directors and the Statutory Auditors.

There are no qualifications or adverse remarks in the Statutory Auditor's Report for the financial statements for the financial period ended March 31, 2022 which requires any explanation from the Board of Directors.

### 39. Cost Audit and Cost Auditors of the Company:

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, the Board of Directors, on the recommendation of the Audit Committee, appointed M/s. Ashwin Solanki & Associates, Cost Accountants (Registration No: 100392) as Cost Auditor of the Company, for the financial year 2022-23, on a remuneration as stated in the Third Annual General Meeting Notice dated May 27, 2022 for conducting the audit of the cost records maintained by your Company.

A certificate from M/s. Ashwin Solanki & Associates, Cost Accountants has been received to the effect that their appointment as Cost Auditor of the Company, if made, would be in accordance with the limits specified under Section 141 of the Act and Rules framed thereunder and they are not disqualified to be appointed as Cost Auditor. A resolution seeking Members' approval for remuneration payable to Cost Auditor forms part of the Notice convening the 3<sup>rd</sup> Annual General Meeting of your Company and same is recommended for your consideration. Cost Audit and Compliance reports for the year 2020 were filed with the Registrar of Companies, within the prescribed time limit.

### 40. Subsidiary/Joint Venture or Associate Company:

Your Company did not have any subsidiary, joint venture or associate Company during the financial period under review.

### 41. Names of companies which have become or ceased to be subsidiaries, joint ventures or associate companies during the year:

During the period under review, no company has become or ceased to be subsidiaries, joint ventures or associate companies.

### 42. Branch Offices:

Your Company had completed opening of branch office in Bangladesh in the financial year 2020. During the period under review, opening of branch office in Sri Lanka and Nepal was completed. All these branch offices are operational. The branch offices are undertaking business operations in respective countries. The branches play a key role in supporting your company penetrate these markets, by providing local support for various business activities. Through these branches, your company is engaged with a wide spectrum of customers (Utilities, Industries, Distributors, OEMs etc.) in their respective countries.

Consequent to change in name of the Company as mentioned elsewhere in this Board's Report, the name change for Sri Lanka and Nepal branch office was completed during financial period under review. The name change of Bangladesh branch office is in progress.

### 43. Branch Auditors:

In terms of provisions of sub-section (8) of Section 143 of the Act read with Rule 12 of the Companies (Audit and Auditors) Rules, 2014, the audit of the accounts of the branch offices of the Company located outside India is required to be conducted by the person(s) or firm(s) qualified to act as Branch Auditors in accordance with laws of that country. Members' approval is being sought vide item No. 10 of the Notice convening the ensuing Annual General Meeting, for authorizing the Board of Directors / Audit Committee to appoint Branch Auditors for the purpose of auditing the accounts maintained at the Branch Offices of the Company and also to fix their remuneration.

### 44. Insolvency and Bankruptcy Code, 2016:

During the financial period under review, neither any application nor any proceeding was initiated against the Company under the Insolvency and Bankruptcy Code, 2016.

### 45. Settlements with Banks or Financial Institutions:

During the financial period under review no settlements were made by the Company with any Banks or Financial Institutions.

### 46. Fractional Shares:

Pursuant to Scheme of Demerger, your Company had also allotted fractional shares totaling to 9,266 Equity

shares (out of total 4,23,81,675 Equity shares allotted on December 24, 2019) to APPSIL Fractional Shares Trust 2019 on December 24, 2019. Catalyst Trusteeship Limited ("Catalyst") was appointed subsequently on April 30, 2020 as the Trustee to handle fractional shares. 9,266 Equity shares pertaining to 20,619 Members were sold on July 27, 2020 for gross amount totalling to INR 80.39 Lakhs The tax deducted at source aggregated to INR 17.12 Lakhs and net amount for distribution was INR 63.27 Lakhs. The distribution of net proceeds commenced from August 3, 2020 through online/cheque mode.

The total amount paid as on March 31, 2022 stood at INR 61.17 lakhs consisting of 19,894 Members eligible for the value of the such fractional shares and the total amount remained unpaid as on March 31, 2022 stood at INR 2.10 lakhs pertaining to 725 Members eligible for the value of the such fractional shares.

#### 47. Acknowledgements:

The Board of Directors take this opportunity to thank your Company's parent company, customers, members, suppliers, bankers, associates, Central and State Governments and employees at all levels for their support and co-operation extended to your Company during the financial period under review.

For and on behalf of Board of Directors

**For Hitachi Energy India Limited**

(formerly known as ABB Power Products and Systems India Limited)

Achim Michael Braun  
Chairman  
DIN: 08596097

Place : Bengaluru  
Date : May 27, 2022

# Annexure – A to Board's Report

## Management discussion and analysis

### Industry structure and developments

#### Economic and market overview

The financial period 2021-22 began with the economy limping back to normalcy, amidst vaccination drives world-over. Global growth rebounded 5.9 percent, despite health concerns and supply disruptions. The recovery of the global economy during the year led to an increase in demand for key commodities and, fuelled by high energy costs, the prices of these commodities reached record highs. The pandemic also caused global supply chain disruptions due to closure of ports and shortage of containers. Semiconductor shortage affected industries across the spectrum. Ongoing outbreaks of COVID-19 variants including Omicron as well as climate-related disasters further stressed the global economic recovery.

Emerging from COVID-19 induced lockdowns, the Indian economy also demonstrated an upward trend, with GDP growing from 1.6 percent in Jan-Mar (2021) to 8.4 percent in July-Sep (2021) quarter.

The Government demonstrated its intent to drive economic growth by increasing the CAPEX by 34 percent in Union Budget for 2021-22. To fund its ambitious CAPEX plan, the Government launched the National Monetization Plan (NMP) of central ministries and public sector entities. Asset monetization, based on the philosophy of creation through monetization, is aimed at tapping private sector investment for new infrastructure creation. The Government also introduced production-linked incentive schemes (PLI) for various sectors to boost domestic manufacturing capacity, including semiconductors. The year also saw India announcing its commitment to transition to a carbon-neutral economy by 2070 at COP26.

However, as the recovery was just starting, India began to face the swift and devastating onslaught of COVID-19 wave 2, which was driven by the Delta variant of the virus. While the period did not see a nationwide lockdown, the country resorted to localized restrictions to contain the virus. Disruption in the supply chain was experienced as the virus ravaged economies across the world. As vaccines were approved, India started with an ambitious goal of vaccinating all adults by 31 December 2021. The vaccination program soon picked up the pace, with 60 percent of the population fully vaccinated as of March 31, 2022. The Government's move to enable booster doses for adults is another step, which should help keep future COVID-19 outbreaks in check.

With COVID-19 third wave subsiding in early 2022, the Indian economy is on track for a year of growth. While there has been revision of growth rate on the upper end from 10 percent to 9 percent at the lower end most analyst see India to grow atleast by 7.5 percent in the current year. Inflation remains a key headwind to the growth and there will be further increases in shipping and logistics costs. Demand for power is rising with soaring summer temperatures and timely coal supply to the thermal plants remains an area of concern. Supply chain disruptions are expected to continue with rising COVID-19 cases in China and conflict in Ukraine.

#### Power sector overview

With India's population burgeoning towards becoming the world's largest, a population equivalent to that of Los Angeles will be added to its urban population each year. The International Energy Agency (IEA) estimates that India will need to add a power system of the size of the European Union to what it has now, to meet the growth in electricity demand over the next twenty years. Industrialization and urbanization remain the major influencers for growth of the power sector. As populations move towards cities, electricity will become the backbone of future energy systems powering mass transportation, electric mobility, buildings, and municipal waste to energy. The pivot towards digitalization across industries, expedited by COVID-19, as well as data privacy concerns will drive increase in data centers.

The power sector witnessed growth during the financial period 2021-22, with around 5 percent installed capacity growth – increasing from 375 GW at the end of 2020 to 399.467 GW as of 31 March 2022. Electricity consumption picked up from July 2021 when India witnessed an all-time high peak power demand of 200.57 GW, largely due to the lockdowns being lifted, delayed monsoons and returning economic activity. Power consumption and demand has grown at a steady pace, and showed robust year-on-year growth for the remaining months of the year. According to power ministry data, India's power consumption grew by 4.6 percent in March 2022 to 126.12 billion units over the same period a year ago. The Ministry of Power expects the maximum power demand to reach 215-220 GW during May-June 2022.

Rail and metro transport, continue to be growth drivers for power consumption, with Indian Railways aiming to have 100 percent electrified network by Dec 2023 and the government's aim for 30 percent electric vehicle penetration by 2030. The year also saw revival of transmission works under the Energy Corridor, with 12 projects being awarded during period under review.

The Ministry of Power prepared and notified the draft National Electricity Policy, 2021 on 27 April 2021. The policy aims at:

1. promoting clean and sustainable generation of electricity
2. developing an adequate and efficient transmission system
3. revitalizing of discoms
4. developing efficient markets for electricity
5. supply of reliable and quality power of specified standards in an efficient manner
6. moving towards light touch regulation

The Union budget 2021-22 had already laid out the focus on power sector with 41 percent increase in the capital outlay, compared to 2020 revised estimates. A revamped reform-based, results-linked scheme was launched for DISCOMs to improve their financial condition. And parts of the national utility's assets were identified for monetization as part of the National Monetization Plan. The climate-responsive budget also highlighted investments that encourage digitalization, clean energy production and mass transportation and electric mobility.

Acknowledging the country's role in tackling climate change, India outlined the ambition to achieve Net Zero by 2070 at COP26 in November 2021. Towards this goal, the Government will meet 50 percent of the energy requirements through renewable energy by 2030. It also announced its commitment to increase non-fossil fuel energy capacity to 500 GW to do this.

The share of renewables installed capacity (including hydro) increased to 38 percent in financial period 2021-22 from 36 percent in 2020. There was 32 percent growth in solar installed capacity - the country added around 12 GW during financial period 2021-22, taking solar installed capacity in India to 50 GW. Wind installed capacity witnessed a 12 percent growth, adding 4.8 GW during the year to reach a total installed capacity of 43.4 GW. The Government also extended the waiver of Inter-State Transmission system (ISTS) transmission charges and losses for solar and wind power for projects up-to 30 June 2025 which will further attract investment in the sector.

## Business overview

As the world makes definitive steps towards sustainability and carbon neutrality, the energy transition is leading the march towards NetZero. As a country that is slated to soon have the largest population in the world, India is making great progress towards the goal of decarbonising electricity through increasing renewables in the grid, reducing fossil fuel and transitioning towards electric mobility. As COVID-19 swept over industries in the past few years, every industry including power embraced digitalization, along with new opportunities and risks that came along with it.

Foreseeing the changes in the energy industry and new forces, your Company took deliberate steps to align itself and its offering to lead the energy transition. Your Company

transitioned into a new identity – Hitachi Energy India Ltd. – from ABB Power Products and Systems India Ltd. This new identity aligns with Hitachi Energy globally, and positions the Company to take its place in a digital world, with solutions for a digital grid.

By adapting the offering across products and services, your Company pioneered technologies that enable a carbon-neutral energy system and help customers accelerate their energy transition. The Company added value through focus on high growth segments such as rail, electric mobility, data centers and cybersecurity, energy storage, renewable energy and smart cities through services, power quality solutions, digital software and solutions and exports.

Connecting digital solutions across the grid, with capabilities in digital platforms, leading power system studies and deploying power quality solutions, your Company enabled customers to increase resilience and efficiency, and unlock new business models in the digital age, including remote monitoring, digital twins and cybersecurity.

Your Company created value through its four businesses - Grid Automation, Grid Integration, Transformers and High Voltage Products. The Power Consultancy business attracted companies in power, aviation, textile, manufacturing and specialty intermediates for system studies. With an extensive portfolio of smart solutions ranging from renewable integration and energy storage, through enterprise asset management and e-bus Charging, to energy service, IT, OT and other products, the Company served utility, industry and infrastructure customers across the value chain. Your Company also continues to make in India for the world, and has provided export solutions to Asia, Europe, and North America regions.

Your Company's presence in India spans six decades, 17 manufacturing units in six key locations, 12 branch offices and 7 additional sales touch points. Your Company has 2,267 employees serving over 1,000 customers across the power value chain. Your Company's strong footprint, scale, largest installed base, and local capabilities comprising of a solid pool of engineers, researchers, scientists, field engineers and software developers, alongside other functional talents, braced it to power India's energy future.

## Segment and product-wise Performance

### Our strategy

Hitachi Energy strived to achieve its purpose - Advancing a sustainable energy future for all, by making the world's energy system more sustainable, flexible and secure. As the pioneering technology leader, your Company



collaborates with customers and partners to enable a sustainable energy future for today's generations and those to come.

Your Company envisions this purpose coming to life by inter-connecting regions, countries and continents, delivering reliable energy to cities and remote communities and Managing energy complexity and enabling smart life through digitalization.

Towards a sustainable and greener grid, your Company is enabling a carbon-neutral energy system through renewable integration, highly efficient end-to-end electrification including industry and transport, and an eco-efficient portfolio. To create a flexible and smart grid, your Company is enabling energy systems to actively minimize consequences of unexpected failures. And ensuring safe and secure mission-critical infrastructure, your Company provided expert services and a flexible cyber and physical security offering.

This mission is built upon three strategic pillars. First, to become a growth engine through developing a world-class front-end team and a customer centric mindset. Second, to sharpen your Company's winning and digital portfolio and business models by competitiveness and maximized customer value. And third, to drive for world-class execution by ensuring industry-leading quality and operational performance. These pillars are anchored to a foundation of people and innovation.

For the future, your Company's continued focus on research and development (R&D) positions it well to deliver value to its customers even in times of transformation. Your Company is constantly working on short-term evolutionary innovations to existing products and services, as well as long-term innovations crucial for maintaining and strengthening its position as a leader in innovation and for supporting future growth. To ensure your Company is flexible and result-driven, its global research centers and business units are integrated with leading universities in India and abroad, and with its other external partners, in a networked environment.

Your Company will be solidifying its presence in the power sector and expanding its footprint and product portfolio to support India's talent and manufacturing capabilities. To meet present and future power quality demands, your company is expanding its capacitors manufacturing capabilities making in India for India and the world. In line with the nation's ambitions for increased renewables, we continue on our journey to localize more of our HVDC offering with a new plant in Chennai.

Your Company will be further investing in its transformers business, building up the traction transformers capacity and increasing its product portfolio of high-voltage class bushings through facility expansion for meeting imminent demand from locomotives both domestically as well as abroad.

Your Company is at the forefront of power technology revolution, contributing to the Government's renewable energy targets through products and systems that reduce carbon emissions. As a global leader in power technologies,

your Company is committed to make adoption of alternate energy easier, faster, and more efficient.

In 2022-23, your Company will be further enabling customers to scale-up and accelerate digitalization, leveraging advanced digital technologies (e.g. LUMADA), IT, and OT (operational technology) facilitating increased operational efficiency and optimization. Your Company will be offering an even broader portfolio of services that goes beyond transmission and distribution energy and utilities and into industry, mobility, smart life (cities) and IT. Your Company's commitment to enhance social, environmental, and economic value will have it co-create innovative solutions, such as intelligent grid solutions, with its customers and partners.

Your Company sees immense scope in grid automation, FACTS, rail, HVDC, data centers, software, EV infrastructure and microgrids to drive future growth. Your Company received significant orders from each segment of these despite the lockdown. In the coming time as well, your Company sees itself having a leading position in these attractive markets.

## Carbon Neutral Operations

The carbon-neutral future is electric and your Company believes that the future world must be a more sustainable world. The Company envisions an accelerated shift from fossil-based power production towards renewable-based generation, growing electrification of transportation, of industry and of buildings, and rise in sustainable energy carriers (e.g. green hydrogen).

Electricity will soon form the backbone of the entire energy system. The road to decarbonization everywhere is built on much more electrification, a more reliable route to achieve carbon neutrality. In this Energy Transition, your Company plays a leading role through digital and energy platforms. The Company aims to equip customers and partners with intelligent solutions for a sustainable energy future.

Determined to walk the talk, your Company is demonstrating through its own operations that the carbon-neutral future is electric and the future world must be more sustainable. Our Company has made steps towards the commitment to its carbon-neutral targets for 2030. These targets are based on a three-dimensional approach to decarbonization - encompassing operations, products and contribution to society and the environment. Central to this mission is the UN Sustainable Development Goal 7 of providing clean and affordable energy to all. The Company aimed to transition to fossil free electricity by March 2022, reduce emissions, and over the course of a decade, decrease waste generation by half and freshwater use by a quarter. Additionally, the Company targeted a 50 percent reduction in CO<sub>2</sub> emissions along the value chain by electrifying our operations and transport fleet as well as implement energy management standards to ensure we walk the talk on climate action and sustainable market development.

Your Company has achieved 100 percent fossil free electricity in our offices and factories by December 2021. Rooftop solar for green electrification was implemented at a project site office, designed by the Company's engineers, which will negate the carbon footprint of 4,000 liters/year of diesel at each site it is used at.

The Company also completed all energy audits and SF6 management plans, among other measures, required to implement the transition to 100 percent fossil free operations in all our other factories as well.

As part of a global initiative within the company to reward excellent environmental strategies and overall performance of manufacturing units, our Common Apparatus Unit in Maneja ranked the highest among 33 global units for waste recycling, LED lighting, solar power generation and use.

The Company has constituted an Environmental, Social and Governance (ESG) Committee of Directors to track performance on commitments and provide an outside-in approach to sustainable operations.

## Operational overview

In a historic milestone, your Company transitioned into a new identity – Hitachi Energy India Ltd. – from ABB Power Products and Systems India Ltd. Building on a successful transitory period, this new identity effectively positions the Company's pioneering technologies and services to existing and future customers expanding beyond the grid, advancing a sustainable energy future for all by opening up a breadth of opportunities in areas such as sustainable mobility and smart life, and contributing further economic, environmental and social value. Commitment to lowering the carbon footprint of our operations, product localization, and digitalization of the grid are the key focus areas defining success.

Your Company is invested in India for the long-term, with an aim to introduce new products to capture a bigger share of the market. The intention is to localize our portfolio to build indigenous capabilities to make in India for India and for the rest of the world. In line with the ambitions of the Indian Government, your Company built capabilities in high-growth segments such as rail, data centers, transmission, renewables and HVDC. The Company concentrated on accelerating growth through services, digital solutions and exports, leveraging the strong local footprint and comprehensive portfolio of future-ready and state-of-the-art products, software, services and systems.

Even as the economy recovered, your Company faced several challenges through the year. Supply chain disruptions due to lockdowns and curfews affected industry growth and held back investments. While power demand remained solid, generation came under greater load. Across many industries, business remained flat while inflation increased. Globally, commodity prices have been reaching record highs and a shortage of semiconductors has been challenging supply

timelines; gridlocked ports have been delaying shipments of critical material.

Against this backdrop your Company managed a credible performance, staying resilient amidst tough market realities by putting unwavering efforts in stabilizing supply chains, building stronger processes and improving efficiencies. Building on the foundation of safety, integrity and quality as the Company's licence to operate, your Company was able to reliably deliver credible and sustained performance. Through these challenging times of commodity market and supply line tribulations the Company adopted a three-pronged strategy - protecting our people, preserving business continuity and preparing for the new norm.

Due to strong health and safety measures at our manufacturing bases and offices, the Company's operations were little impacted, ensuring delivery of our commitments to projects and orders.

To protect our people during the COVID-19 pandemic, the Company decided to test, treat, track, vaccinate, conform to COVID appropriate behavior, and reinforce awareness. Through a solid Company-wide governance consisting of teams at the country and local levels, the program was rolled out, communicating safety protocols and enforcing safe behavior. In addition to regular sanitization of facilities and travel guidance, masks were provided to all employees and vaccination drives were organized for all employees and their families. Random screening and mass testing of employees was conducted to identify, isolate and treat. Tracking was done for all contacts of COVID positive cases, and quarantine was enforced. All employees testing COVID positive were given treatment and home isolated; in case of aggravated problems they were admitted in hospitals and their progress and health status was monitored by doctors. Oxygen concentrators were procured and deployed to employees' homes, for those that required oxygen until they got admitted in the hospital. In addition, a tie-up with external agency Connect & Heal (CNH) was put in place for home care services, diagnostic support and admissions and follow-up of all positive cases. To support employees through these trying times, besides 24x7 health care support by medical professionals, mental health and psychological care was prioritized through an employee assistance program. Regular webinars and virtual awareness sessions were conducted for families by company doctors and external experts and resilience trainings were organized.

Your Company managed delivery with resilience through pandemic-imposed challenges – factory lockdowns, geographic isolations, supply chain disruptions, mobility restrictions, and demonstrated a credible performance. Thanks to a best-in-class manufacturing base and globally respected technology portfolio, your Company managed to preserve business continuity through tenuous times, and ensure its customers met timelines of all mission critical projects. As employees returned to work, the Company redesigned workspaces and deployed new work-flow protocols to ensure social distancing and reduced physical contact. Extra shifts were added to space out the work as required.

Your Company's internal transformational initiatives helped prepare for the new normal, retaining systematic cadence, agility and a disciplined performance, maintaining business continuity, customer engagement and portfolio growth even in hard times. Your Company's spirit for innovation and its people strategy helped it to navigate the changing business and economic currents.

Your Company went on to book orders from utility, transport, and industrial customers, right from its substations, automation solutions to transformers and high-voltage switchgear through direct engagement with customers during the year. Besides products, orders were for your Company's services, and its project-wide involvement in ultra-high voltage direct current projects. Orders were seen distributed from across railways, metro rail, renewables, data centers as well as power quality, digital and service capabilities. Even as economic momentum in the domestic market slowed, interest from overseas markets compensated well to keep order growth robust.

During the year, your Company furthered efforts to offer products and services that enable customers to move towards digitalization and decarbonization. EconiQ™, a portfolio of products, services, and solutions that contributes to a carbon-neutral future and accelerates the green energy transition was launched globally. The EconiQ™ portfolio for High Voltage and Transformers reduces environmental impact and increases energy efficiency.

Your Company launched IdentiQ™, a digital twin solutions for high-voltage direct current (HVDC) and power quality solutions. IdentiQ™ is the digital twin of a HVDC converter station, STATCOM or other power quality solution. It provides all the relevant asset information, analytics and operational data in an intuitive and easy-to-navigate dashboard, which users can customize to match their needs. IdentiQ™ includes 3D interactive visualization of the complete asset, combined with one-click access to all the associated plant and equipment information, including engineering documentation, operational and maintenance procedures, safety training and live operational data for monitoring and analytics.

EnergyREC, a state-of-the-art remote monitoring and reliability service center was set up in Bengaluru offering customers an advanced maintenance platform to improve their power assets' overall reliability and uptime. RelCare, a digital partnership agreement combining asset management software with the expertise of Hitachi Energy, enables asset and Operations and Maintenance managers to reliably and cost-effectively optimize system performance and protect crucial assets.

Innovation-based R&D is key to your company's differentiation in the market. The activities are carried out in the global R&D and technology centers as well as R&D embedded in the local businesses, leveraging its local competence for creating social, environmental, and economic value, globally.

In addition, your Company achieved IEC 62443 cybersecurity certification covering practices such as security management

of the development process, specification of security requirements, secure by design, secure implementation, verification and validation, managing security issues, updates, and guidelines.

Your Company has made strides towards the commitment to its carbon-neutral targets for 2030. Central to this mission is the UN SDG Goal 7 of providing clean and affordable energy to all. The Company transitioned to 100 percent fossil-free electricity in operations – offices & factories - well before the target of March 2022. For project sites, your Company's engineers developed a modular solar installation, which will negate the carbon footprint of 4,000 liters/year of diesel at each site it is used at. By achieving 100 percent fossil-free electricity in our own operations, and have reduced CO<sub>2</sub> equivalent emissions by over 50 percent compared to 2019. The Company has constituted an Environmental, Social and Governance (ESG) Committee of Directors to track performance on commitments and provide an outside-in approach to sustainable operations.

Your Company utilized all levers to drive industry dialogue in the transition to economic recovery and clean energy. The Company hosted segment-specific virtual customer engagement conferences under the flagship Energy and Digital World (EDW) banner that included numerous technical webinars, attended by customers virtually, on technologies that can aid a greener and sustainable post COVID-19 economic recovery.

Your Company also engaged in key industry discussions including in the Ministerial Thematic Forums of the UN High-Level Dialogue on Energy 2021, talking about accelerating citizen-centric energy transition to achieve the 2030 Sustainable Development Agenda in the power industry.

Your Company introduced new trainings modules on emerging areas in line with the Company's sustainability goals, such as digitalization and R&M of substations, and battery energy storage system and grid integration. Trainings were conducted both online and offline for more than 1053 customers, clocking 1932 person-days.

Your Company's projects were honored by the Government of India's Smart Grid and Smart Cities Mission and mission for a clean energy future.

With the continued challenges from pandemic and industry envisioning its carbon-neutral future, your Company continued its extensive engagement with the Government, utilities, industry, policy bodies, industrial forums such as CII, Indian Electrical & Electronics Manufacturers' Association (IEEMA), India Smart Grids Forum (ISGF) and even media to share about its products and solutions, advance constructive dialogue on a sustainable energy policy.

Your Company has established Environment and Safety Management Systems and is certified for ISO 14001 and ISO 45001. Your Company's customers recognize your Company for its high quality standards, continuous

enhancement of technology applications and training of channel partners on the highest operational benchmarks. Your Company operates on the principles of LEAN and Six Sigma (L6S).

Your Company's investment in training and upskilling employees continues to be the differentiator in the market. The Company's success rests on attracting, developing and retaining the right talent who are highly engaged. The constant focus is to ensure a working environment of inclusive leadership, transparency and belonging. Hitachi Energy India Ltd embraced the new philosophy of life-long learning. In addition to numerous functional, technical & leadership training programs tailored for different segments, the Company also offers multiple platforms for employee self-learning. Such initiatives proved instrumental in penetrating and expanding the market presence and in introducing key technologies. As the Company continues to grow, the focus is to invest in talent in segments that are vital for our business growth. Your Company undertook institutional projects such as developing a Smart Electric Grid Laboratory for quality education and skill development at NIT Warangal, and at IIT Roorkee, it is setting up setting up an 'Integrated Monitoring & Analytics Center' laboratory for Sustainable Smart Campus.

Innovation is rooted in collaboration, and so your Company continues participating in various R&D related activities in association with industry bodies, professional technical groups, forums and policy makers. R&D has received awards and recognitions for application of innovation, technical publications and presentations from Power System Operation Corporation (POSOCO), Institute of Electrical Electronic Engineers (IEEE) and other renowned establishments.

For more than a century, your Company has been recognized as pioneers and front-runners in research and development – delivering customer value by adopting a solution-oriented approach. Over the decades, your Company has nurtured a mindset of anticipating future needs of its customers. Your Company fostered this spirit and today, its talented experts continue to thrive on finding new ways to solve customer needs – and in turn, help solve major societal challenges.

Looking at a future where electricity will be backbone, your Company broadened the scope of its Power Technology Experience Center (PowerTEC) and Digital Experience Center (PowerDEC) to Energy Technology and Digital Experience Centers (EnergyTEC and EnergyDEC) respectively. Your Company launched Power Reliability Center (PowerREC) Bengaluru, later renamed EnergyREC to provide reliability centered support to customers and stakeholders – owners and operators of assets, systems and operation. This complements its technology and digital experience. Your Company used these platforms to continue engaging with customers and stakeholders in Plan-Build-Operate phase of energy and digital transformations of their plants and systems.

## Discussion on financial performance with respect to operational performance

### Performance during the reporting period

Customer interest sustained across the year despite the hardships imposed by the pandemic. Your Company had some significant order wins including, but not limited to:

- Order for substations from BALCO for INR 117 crore; from another steel major, for GIS substation for ~INR 105 crore
- Large orders for transformers for Indian Railways from Chittaranjan Locomotive Works and DLW, along with grid automation for metro rail exceeded INR 450 crore
- Transformer orders from a major transmission company exceeding INR 114 crore
- Order of INR 160 crore for nine substations and INR 120 crore for power transformers from MP Power Transmission Package-II Limited
- Order for transformers & reactors from central utility exceeding INR 100 crore
- Power Quality equipment and high voltage switchgear for expanding solar installations in Rajasthan and upgrading hydropower facilities in and around India
- Order for substation automation from Godrej for conversion of AIS to GIS at Aarey, Mumbai
- Awarded prestigious Energy Network Operations Center project involving the setting up of two control centers and 29 substations across Rajasthan
- Orders from data centers nearly doubled from year 2020 with key orders to power hyperscale data centers for leading cloud providers.
- Several orders for spares from major utilities for deploying your Company's solutions
- First order for supply of 420 kV GIS prefabricated substation for expansion project at Angul
- Orders for various renewables studies from EDEN, Ayana and others including state utilities from India and national utilities from around the world

Your Company's footprint continues to grow, with new factory expansions in line with the ambition to enhance the global footprint. A new production facility for Dead Tank Breaker (DTB) poles including 550PM63, 550PMR63 and 420PMR63 were added in Vadodara to cater to the volumes of new variants. The facility has in-house testing facility for ASME testing, and is equipped with digital data recording using DPS for in-process checks and traceability.

The Company also revamped the gas-insulated switchgear factory in Savli to meet the growing demand in India. Savli is part of the extensive high-voltage manufacturing network and this expansion is part of the Company's global approach to be closer to customers, faster in execution, and address local content requirements.



A new Power Quality solutions (capacitors & filters) factory is being established in Doddaballapur, Bengaluru. This is certified ISO 9001 and has qualified for supply of capacitor units to other geographies.

The Company completed and transmitted power at full capacity for the historic 6000MW, +/- 800 kV ultra-high voltage direct current (UHVDC) transmission link between Raigarh in Central India and Pugalur in the southern state of Tamil Nadu along with Bharat Heavy Electricals Ltd (BHEL) for Power Grid Corporation of India Ltd (POWERGRID). In addition, the first HVDC transmission project upgrade in India was completed for POWERGRID, successfully extending the life of the transmission system.

Through ongoing digitalization of operations, the Company was able to overcome challenges posed by COVID induced lockdowns and ensure that delivery and projects were ongoing by using digitalization in operations. Over 400 remote Factory Acceptance Tests (FAT) were conducted, as well as continued remote testing and commissioning support to project sites. The Company also completed a transformers' digitalization pilot (using CoreTec®, CoreSense™ and e-devices), establishing the ability of these add-on solutions to upgrade all makes of transformers installed in the market. Your Company is taking digitalization to the next level with the transition to automated test fixtures for Combiflex/Combitest product portfolios.

As India's urbanization continues in full swing, railways and metros require large amounts of high quality, reliable power. Your Company successfully commissioned SCADA systems for the extension of the North-South metro line for Metro Railway Kolkata, from Noapara to Dakshineswar. The new line is expected to serve 50,000 commuters from Howrah, Hooghly, and North 24 Parganas each day and will benefit students, tourists, devotees and other commuters visiting Baranagar, Kalighat and Dakshineswar. Your Company has provided several power quality solutions for mass transportation projects including the Dedicated Freight Corridor, a prestigious project by Government of India in transport infrastructure that supports the industrial growth of the nation. Your Company has supplied the Power Quality Compensator - Reactive (PQCR) System for the first dedicated freight corridor (Western Dedicated Freight Corridor) between Dadri to Jawaharlal Nehru Port in Mumbai. This special project has 46 traction substations and your Company has supplied 46 system of PQCR for improving the power quality of the network. The Company is also executing similar projects for Eastern Dedicated Freight Corridor and has also joined hands with Delhi Metro Rail Corporation (DMRC) for a pilot installation for 25kV 1 phase using PQCR.

Your Company's orders for the financial period under review – January 2021 to March 2022 – totaled INR 4,548.1 crore, and revenue was INR 4,950.9 crore. Profit-before-tax after exceptional items was INR 276.6 Crore and profit-after- tax INR 203.4 crore.

## Services

Traditional service orders such as repair, replacement, extension, and maintenance of your Company's products

across the different states stayed strong. To that effect, your Company received multiple service orders for high voltage and transformer installations from top utilities and industry players. customers across the country also switched from process level to plant level service agreements; often they looked to upgrade existing infrastructure to support the remote requirements enforced by the pandemic. To name a few, your Company provided transformer repair to several customers, remote support for a 400kV gas insulated substation charging for a hydro project and so on. Your Company also received orders from steel and cement industry majors for extension of AIS and GIS bays and from various industries for retrofit and replacement of bushings. Besides this, an annual maintenance contract (AMC) from a major steel company. Major service orders were also won in Bangladesh including the first Power Quality.

Across generation, transmission, process industries and metros customers embraced digitalization. Your Company won a milestone order for automation at from a leading renewable player that advances its green vision by reliably integrating renewables into the grid. Your Company booked multiple lifecycle service orders in grid automation from state utilities and manufacturing companies. Your Company was chosen for automation solutions for solar integration by a state utility in western India, for enabling business continuity through GIS substation service for leading industry players. The Company's service portfolio continued to deliver by receiving a first of its kind automation order from Haryana state T&D utility, the Company's largest online dissolved gas analysis order from Coastal Gujarat Power Ltd. to date.

Exploration of your Company's TXpert™ range also picked up momentum, as customers matured from use of CoreTec™ and CoreSense™ devices to upgrade their transformers to the digital age. They moved to deploying TXplore™ – the submersible robot that conducts internal inspection of transformers without the need to remove the oil, and does this in less time than a human would take to disassemble and conduct the examination. The Company received orders for these products from industrial and utility customers.

A few highlights from Service Solutions starting with launches of new solutions are – PowerConnect, Reliability Space & IdentiQ™ that strengthen the service offering and offer customers a reliable, sustainable and secure lifecycle of their assets. In addition, your Company launched RelCare, a digital partnership agreement combining asset management software with the expertise of Hitachi Energy, enabling asset and O&M managers to reliably and cost-effectively optimize system performance and protect crucial assets. Through this partnership agreement, the EnergyREC in Bengaluru provides services for industrial and utility customers that include targeted maintenance based on dynamic system reliability and financial modeling, increased maintenance quality, standardized maintenance execution based on harmonized safe work method statements and real-time monitoring of substation system key performance indicators.



Market successes in service solutions are orders related to digitally enabled service level agreements based on RelCare - the first two in Asia from an Oil & Gas major and for a 750 MW solar photovoltaic plant in Rajasthan.

Other orders in Power Quality Service Agreements and orders in both LCS and LCP from several customers, all contributed to the growth of the Company's service offerings, representing a clear differentiation in market for us as the foundation of a sustainable business.

Services for cybersecurity is a key element of your Company's growth strategy. Towards this, the Company has achieved the IEC 62443 certification that affirms its commitment to deliver products and systems that meet the highest cybersecurity standards. In continued efforts to provide cutting-edge technologies, your Company also conducted power system studies and virtual instructor-led training for top power generation and transmission companies. The Company was chosen for the cyber security of critical power infrastructure by a leading utility, for power asset automation solutions by a major steel maker and for substation charging for a hydro project. Your Company also provided a cybersecurity audit for a large city distribution company in one of the metros. In addition, the Company received several grid automation and cybersecurity orders for power stations, metals and petrochemical companies, in addition to several others.

The Power Consultancy business attracted companies in power, aviation, textile, manufacturing and specialty intermediates for system studies.

Your Company remained a trusted partner for training top talent and had training orders from national and state utilities. Value-based engagement ensured that customers in the mission critical power and industrial value chain experienced least downtime. Expanding your Company's income from service is a part of its 2025 vision and a lever your Company continues to focus on, and your Company continues the growth momentum in service orders.

## Exports

Despite difficult market conditions, we continued to make in India for India and for the world, leveraging our wide installed base and expertise. Exports demand for products, systems and services came from Africa, South America, South and Southeast Asia, Latin America, the United Kingdom, Europe, and many other regions. Exports remained robust throughout the year, driven by recovering economies.

Your Company booked its first 400kV GIS export order from South America. Your Company strengthened its position in new emerging power markets such as Uruguay, signed deals with customers in Colombia, Chile, Mauritius, Bangladesh and many other countries. Closer to home, your Company received order for transformers from Nepal & Bhutan.

High-voltage equipment and transformers from the sub-continent saw high demand from South East Asia and Africa.

The Company also received orders for 170 KV AIS equipment from Indonesia and entered the North America market with the first order of 72.5kV Vertical Break Disconnectors.

Making in India for India and the world for over six decades, your Company is always investing in developing its capabilities to ensure world-class manufacturing facilities and competence – a true sign of self-reliance.

Your Company received orders from other Hitachi entities such as for the supply of 245 kV equipment to Kasumbalesa in the Democratic Republic of Congo, supply of various ratings of Circuit Breaker Poles & Powerpack for Brazil, and Green Power Technology Equipment & Machinery Items from South Africa and supply of Harmonic filters for Turkey. The Company also received an order from Hitachi Energy US entity to support the US Navy base with Battery Energy Storage (BESS) studies. There has also been increased global collaboration, with Sweden on HVDC.

There were also successful project conclusions. The first ever order for GIS inspection and overhauling at Singapore power was executed successfully. In the US market, your Company successfully executed the first order for supply of 20 units of 72.5 kV vertical break disconnectors. Additionally, the first order from TNB Malaysia for supply of 14 units of SDF300 Disconnectors was executed successfully. Your Company received a certificate of appreciation from Nepal Electricity Authority and Ministry of Energy, Nepal in recognition of a successful completion of 132 kV New Modi package.

## Operational excellence

The pandemic tested and reaffirmed your Company's long-standing focus on continuous improvement towards sustainable quality across the entire value chain – from suppliers and employees to customers and communities. Your Company's structured investment over the years enabled it to swiftly adapt and overcome the challenges posed by lockdown, disruption of suppliers and transportation and reduced manpower. Your Company leveraged its digital foundations, migrating to remote factory acceptance tests (RFATs) across all factories to provide uniform experience to customer and on time delivery. Over 125 RFATs were conducted, and projects were commissioned remotely for utility customers, ensuring that essential services like power were not only continued but were bolstered. Your Company conducted remote trainings to ensure that customers could effectively deploy and maximize the benefits of its technologies in a world of unprecedented changes.

On a transformative journey, your Company is adopting strategies of profitable growth, relentless execution, and business-led collaboration. For the first time in India, your Company successfully executed Multiprotocol Label Switching-Transport Profile for a petrochemical giant and state utility and executed 350 km Optical Service Transport Platform for Raigarh-Pugalur High Voltage Direct Current project. It was also the year where your Company manufactured the largest number of 765 kV power transformer units,

track-side railway transformers and traction transformers and started manufacturing 220 kV power transformers. In addition, your Company continued to be certified as feeder factories for the global needs of your Company's various products - a benchmark for quality and operational excellence.

## Safety, Integrity, Quality

Safety, Integrity and Quality form the tenets of the Company's license to operate. A strong and constant focus is ensured throughout your Company's operations to drive the culture around these three tenets, for employees to internalize and feel empowered to champion them in any situation. These three aspects of Safety, Integrity and Quality are a part of the DNA of your Company. The DNA and culture are formed around five pillars. First, relating to organization - employees are expected to learn from experience and focus on human factors. Second, to build skills to ensure that all staff members are competent and aware of their role in safety, integrity and quality. The third pillar is around processes and continuous improvement and the fourth is compliance - acting with speed and transparency to mitigate disruptions and liabilities. And leveraging digital as the fifth pillar, your Company intends to leverage technology to effectively prevent, detect and resolve issues around safety, integrity and quality.

Relating to integrity, this year, your company has updated both the Code of Conduct and the Whistle blower policy. The code of conduct provides a framework to put business principles into practice with utmost integrity and the whistle blower policy encourages all the stakeholders to speak up on concerns relating to potential breaches of Company's core values and standards and ensures no retaliation is allowed. All the concerns reported have been subjected to appropriate investigation, follow up, and brought to full closure, adhering to the zero-tolerance policy for any violations. The outcome of all the concerns has been reported to the Audit Committee.

With regard to health, safety and environment, your Company has continued with the rigour and discipline of enforcing safe practices and behaviours across operations and projects. Your Company won the Golden Peacock Award for occupational health and safety in the power equipment category and received several appreciations from its customers for safety standards.

Especially during the COVID-19 pandemic, your Company took utmost precautions to protect its people, preserve business continuity and prepare for the new normal. Your Company rolled out an extensive and comprehensive program to protect employees and support them through the difficult times. Initiatives included communicating safety protocols and enforcing safe behavior, regular sanitization of facilities and travel guidance, providing masks and organizing vaccination drives for all employees and their families. Random screening and mass testing of employees was conducted to identify, isolate and treat. Tracking was

done for all contacts of COVID positive cases, and quarantine was enforced. All employees testing COVID positive were given treatment and home isolated; in case of aggravated problems they were admitted in hospitals and their progress and health status was monitored by doctors. Oxygen concentrators were procured and deployed to employee's homes, for those that required oxygen until they got admitted in the hospital. In addition, a tie-up with external agency CNH was put in place for home care services, diagnostic support and admissions and follow-up of all positive cases. To support employees through these trying times, besides 24x7 health care support by medical professionals, mental health and psychological care was prioritized through an employee assistance program. Regular webinars and virtual awareness sessions were conducted by company doctors and external experts and resilience trainings were organized.

The efforts of past years continued to gain momentum in your Company's internal Power-Up program that makes change and growth its core mantra to provide value for customers. Your Company is well-positioned for long-term success. Focused on quality as a license to operate, employees invested in their competency development and sustainable cultural change - on the principles of Lean and Six Sigma. By the year end, the Company had trained 52 Yellow Belts, 8 Green Belts, 1 Black Belt.

## Initiatives

In these difficult market conditions, multi-functional, cross-business unit teams came together in collaborated sales efforts with well-governed processes to secure deals with clear value proposition to its customers. For swift response to customer requirements, your Company has structured its sales organization to penetrate the market further for a larger share, while nurturing talent to remain current and relevant to customer needs. Through the year, your Company has taken extensive actions to leverage its installed base, evaluate local market needs for potential new product development and customizations, and engage early on with stakeholders for prioritized market opportunities to maximize its win probabilities.

Continuous process improvement approach helped identify areas of efficiency in operations, and accrue cost savings across its manufacturing locations, with employees across the value chain showing ownership and expertise. With the operation of RO plants, consumption of fresh water in processes was reduced by 46 kl per month in the transformer factories. Employees played role in engineering solutions and processes that helped them adhere to strict COVID-19 guidelines - in terms of layout for social distancing and decontamination areas, reducing touch points in a process, or solutions for temperature monitoring. Digital tools were also introduced for your Company's frontline onsite engineers - to monitor their health and to warn in case of risks.

The pandemic posed an unprecedented situation for most and even though industry forums migrated to the virtual

platforms, they became critical to network and learn best practices to adapt to the ever-changing demands of the time. Your Company continued to contribute to such discussions as well as to thought leadership in areas energy, electric mobility, smart cities, and digitalization through events organized by industry bodies like Confederation of Indian Industry (CII), Central Board of Irrigation and Power (CBIP), International Council on Large Electric Systems (CIGRE) and Government bodies like Ministry of New and Renewable Energy (MNRE), embassies, and so on.

## Research and Development (R&D)

Your Company's pioneering spirit and commitment to continuous innovation runs deep in its bloodline. For more than a century your Company has been recognized as pioneers and front-runners in technology development – delivering customer value by adopting a solution-oriented approach. Over the decades, your Company has nurtured a mindset of always anticipating the future needs of its customers. Your Company fostered this spirit and today, its talented experts continue to thrive on finding new ways to solve customer needs – and in turn, help solve major societal challenges. These efforts have been recognised through several R&D and innovation awards including the ISGF 2022 innovation awards, where your Company was recognized for achievements across all the Company's business units in the areas of UHVDC/RP800, Robotic Inspection (TXplore™), Business Continuity using Augmented Reality, and business continuity through Remote FAT.

Your Company's R&D activities are carried out in the global R&D and technology centers as well as R&D embedded in the local businesses, leveraging its local competence for creating social, environmental, and economic value, globally. Development of new products, features, localized products, and solutions secures as well as creates additional revenue with increased number of customer engagements and installed bases.

The financial year under review witnessed the launch of an open, scalable, manufacturer-agnostic ecosystem for digitalization of transformers, designed to drive data-driven intelligence, and advances like this promise to shape future power grids.

## Talent

Your Company's investment in training and upskilling employees continues to set us apart in the market. Your Company's success rests on attracting, developing and retaining the right talent who are highly engaged. Your Company's constant focus is also to ensure a working environment of inclusive leadership, transparency and belonging.

Coping with the demands of the new ways of working, building resilience and helping customers & employees

cope with the COVID-19 outbreak required an intense focus on new skills and a vigilant watch on people and their welfare. While the Company's learning and development (L&D) function continued focus on leadership and professional development programs, self-paced learning was incorporated to encourage life-long learning.

While Leadership Development and most other L&D initiatives are in-house, the L&D team also works closely with external training partners to meet certain demands which requires customization. This year, there was increased focus on developing cross cultural awareness and preparing managers to deal with a workforce which is increasingly diverse and technology friendly. To navigate the environment, various programs not limited to change management, resilience & others were introduced to help employees redefine business problems in a way that makes new, innovative responses possible. The Company's L&D team also saw the transformation of the global training programs such as PG4U, Middle Managers Program, Leadership Essentials Program and Female Talent development Program. L&D Partners are aligned to enable effective partnering with the business and provide customized learning solutions.

In addition, efforts were made to provide an inclusive environment that promotes diversity in gender, age and culture, including opportunities for global mobility. The Company's competency has been aligned with the business strategy. The Company recognized exceptional performance and behavior in line with organizational values through its rewards and recognition programme. There was continuous focus on improving the diversity in the workforce throughout the year. A diversity outreach programme was also launched to encourage rehiring of performers who may have left their career for various reasons. The entire approach to well-being was based on increasing diversity, promoting inclusion and recognizing performance.

Such initiatives have proved instrumental in penetrating and expanding the market presence and in introducing key technologies. As your Company continues to grow, its focus to invest in talent in the segments that are vital for its business growth also sharpens. Continuing to the cause of advancing education in the areas of Smart Grid, your Company entered into an MOU with National Institute of Technology, Warangal (NITW) to set up a laboratory for Smart Electric Grid in the institute.

## Collaboration

Notwithstanding the pandemic, Hitachi Energy in India continued its extensive engagement with the Government, utilities, industry, policy bodies, industrial forums such as CII, Indian Electrical & Electronics Manufacturers' Association (IEEMA), India Smart Grids Forum (ISGF) and even media to share about its products and solutions, advance constructive dialogue and shape a sustainable energy policy. Besides continuing with NIT

Warangal to advance smart grid education in India, your Company also continued partnership with Ashok Leyland and IIT Madras to demonstrate the future of smart mobility; all this in its pursuit of a stronger, smarter, and greener future grid.

Your Company's projects were honored by the Government of India's Smart Cities Mission and mission for a clean energy future. Your Company collaborated with customers, especially utilities, to ensure smooth operations and power availability even in a time of crisis.

Your Company also conducted numerous technical webinars, attended by several hundred customers virtually, on technologies that can aid a greener and sustainable post-COVID-19 economic recovery. Besides, over 100 customers attended your Company's launch event – Discover Hitachi Energy.

## Corporate Social Responsibility

Committed to the community, our Company's actions on Corporate social responsibility included an active employee volunteer group, supporting the communities around where the Company operates, as well as every gesture in support of the fight against of COVID-19. About 320 employee person-hours were spent in various CSR projects, in active preparation and execution of the projects, interactions with beneficiaries and conducting trainings. Your Company also continues to fund mobile physiotherapy for about 120 handicapped and underprivileged sections of society in Maneja. Additionally, efforts were made to develop green cover in Maneja city.

In solidarity with the country in its fight against COVID-19, multiple initiatives were taken by your Company to curtail the spread of the pandemic and help those affected. The Company provided 500 food kits to underprivileged government school children and contributed to developing and deploying of additional medical facilities at Government hospitals at Bengaluru, Mysore, Vadodara, Savli and Halol. This included providing medical equipment, ~100 ICU beds, more than 400 monitoring - diagnostic equipment and two ambulances. The Company also supported a start-up company in developing a mobile deep freezer for last mile transportation of vaccines in Karnataka and Tamil Nadu, at the time of pandemic. This was done through partnership with the Center for Cellular and Molecular Platforms (C-CAMP) an indigenously developed, innovative, portable cold chain transport device for efficient vaccine delivery. The C-CAMP-supported innovation integrates an emerging technology in cold chain with easy accessibility and operability features that can address the critical issue of last mile vaccine spoilage due to thermal degradation in commonly used iceboxes.

Encouraging diversity through education, your Company supported 80 girl students pursuing engineering studies by providing laptops, soft skill training and scholarship

through their academics. All the students have successfully completed their third semester with good academic performance.

## Material developments in Human Resources / Industrial Relations front

### Human resources

Your Company strongly believes that its employees are the key pillar of your Company's success in the market. Your Company continues to attract the best of talent, thanks to its diverse yet inclusive culture and ability to provide opportunities for their career growth. Your Company's people strategy is aligned with its overall vision to be the pioneer in shaping the future of sustainable energy and your Company is committed to nurturing a cordial and diversified work environment in a growing market and in maximizing the potential of its workforce.

As of March 31, 2022, the employee base stood at 2267. To ensure that your Company continues to attract top talent, it launched innovative employer branding initiatives and consistently created avenues for learning thereby embracing the culture of life-long learning. Your Company is invested in the development of employees and devoted to helping them adapt and perform better in this VUCA (volatile, uncertain, complex, and ambiguous) market environment. With an enhanced performance management and talent strategy, the Company is focussed on attracting, assessing and developing human capital for today and for the future. Your Company pays immense attention in inculcating a learning environment within teams and providing opportunities for global mobility, to manage talent in key function areas.

Your Company's competency model – value pairs – has been aligned with the business strategy. The same language is spoken throughout employee's performance, learning and development cycles. To ensure continuous engagement of employees, we have launched several retention strategies including rewards and recognition programs to create a nurturing and performance-oriented workplace and shape employee behaviors in line with organizational values.

Your Company believes in creating a diverse & inclusive work culture that cares for employee well-being. Health and safety are our number-one priority and throughout the period under review, the Company has striven to ensure a safe working environment in all our premises, undertaking several wellness initiatives. The Company also paid attention to the governance of various processes and initiatives across the organization and ensured industrial relations remained cordial and harmonious across all manufacturing locations.



To have an undivided focus on creating a diverse & inclusive work environment, your Company has a D&I forum named SPECTRUM. This forum also aims at improving gender diversity at workplace and also providing opportunities for women to network and develop in the organization through multiple initiatives throughout the year.

## Respecting and promoting human rights

The Company’s values are rooted in respect, including respect for the human rights of every single person who works for or with the Company. Respecting and promoting human rights in business activities is a key priority in the Communities impact area. The Group recognizes that respect for human rights is a basic requirement and that failure to do so can cause harm to people and adversely affect business, with potential legal, financial and reputational consequences.

The Company follows a Human Rights Policy and a Social Policy to respect human rights and to avoid causing or contributing to adverse human rights impacts through own activities. The policy draws on the Universal Declaration of human rights, the International Labour Organization (ILO) core conventions on labor standards, United Nations Global Compact (UNGC), The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, UN Sustainable Development Goals (SDG) and the Social Accountability (SA) 8000 standard. All employees have access to the human rights e-learning, which describes the human rights principles and risks for the company. The Company has made a provision that employees shall report any human rights risk or violation that might occur during projects, services and operations of the company. Human rights performance are being monitored based on relevant indicators to evaluate and to prevent human rights impacts in all of the company’s operations and workplaces. The Company’s Human Rights and Social Policies specifically refer to the ILO core conventions as the minimum to be achieved, with respect to non-discrimination, prohibition of child and enforced labor, freedom of association and the right to engage in collective bargaining. The United Nations (UN) guiding principles are central to Hitachi Energy India Ltd’s human rights training. A global awareness-raising program for all focuses on understanding how the company can potentially impact human rights, the importance of due diligence and how the Company is embedding human rights in business processes, a global capacity building program is under way.

In this reporting period, there have not been any grievances related to human rights. The Company, in line with the Group policy, seeks to raise its standards, and increase its understanding, and mitigation of human rights risks.

Our work on respecting and promoting human rights contributes to UN’s Sustainability Development Goals 4, 5, 8, 9, 10, 11 and 17.



## People well-being

The Company continues to attract top talent due to its inclusive culture and the immense opportunities available for nurturing their talent. The people strategy is aligned with the Company’s overall ambition to be a pioneering technology leader. This requires a stable work environment in a growing market by maximizing the potential of the Company’s workforce. To ensure that the Company continues to attract top talent, multiple employer branding initiatives were launched not limiting to career fairs, recruitment drives, university connect programs and internship opportunities. During the year, the Company has consistently set a clear path to learn and adapt to perform better in the changing market situation with its enhanced performance management and talent strategy, focusing on building a healthy pipeline by attracting, assessing and developing talent. In addition, persistent attention to provide an inclusive environment to promote diversity in gender, age and culture, including opportunities for global mobility, also form a part of the proactive plan to manage talent in key function areas. The Company’s competency has been aligned with the business strategy. The Company recognized exceptional performance and behavior in line with organizational values through its rewards and recognition programme. There was continuous focus on improving the diversity in the workforce throughout the year. A diversity outreach programme was also launched to encourage rehiring of performers who may have left their career for various reasons. The entire approach to wellbeing was based on increasing diversity, promoting inclusion and recognizing performance. Multiple camps for covid vaccination were organized in different office locations and factories to facilitate easy access for employees and employee children. Annual medical check-ups and camps were set up through the year to promote physical wellbeing.

## Learning and development

While the Company’s learning and development (L&D) function continued our focus on leadership and professional development programs, the L&D function also shifted gears in incorporating self-paced learning and steered away from the status quo through various programs not limited to change management, resilience & others to help employees redefine business problems in a way that makes new, innovative responses possible.



The Company's L&D team also saw the transformation of the global training programs such as PG4U, Middle Managers Program, Leadership Essentials Program and Female Talent development Program. L&D Partners are aligned to enable effective partnering with the business and provide customized learning solutions. While Leadership Development and most other L&D initiatives are in-house, the L&D team also works closely with external training partners to meet certain demands which requires customization. This year, there was increased focus on developing cross cultural awareness and preparing managers to deal with a workforce which is increasingly diverse and technology friendly.

The Company believes in empowering employees through lifelong learning. The workforce leverages Percipio – the digital learning platform houses 500,000+ multi-modal courses, videos, books and micro-learning modules averaging 148 minutes of learning per person per day. Through Percipio, employees have access to a library of learning assets including 15000+ books and 1200+ audio books created and curated by subject matter experts. The employees' learning journeys are tailored to suit individual personas. In addition to Percipio, employees also have access to other learning platforms like Hitachi Energy India Ltd's internal LMS, EF (for mastering English language), Rosetta Stone (for gaining other language skills) and Culture Wizard (to get acclimatized with various cultures across the world). Webinars loaded with adaptive course curriculum challenge employees to expand the scope of their capabilities on their own terms. These are in addition to the technical and functional learning opportunities provided to our employees to upskill themselves. The Company has also introduced mentoring programs and coaching sessions to support employees amass better knowledge retention and even proposes adjacent development opportunities.

## Career development and opportunities

Keeping a strong focus on talent pipeline development, your Company embarked on a 'Develop & Grow' journey this year, with the objective of enabling a powerful talent ecosystem that helps build and develop capabilities for the future. The Company is building a new paradigm of 'hybrid jobs' that combine technology, domain and industry experience that enables the Company to attract skillsets that complement the growth paradigm. Your Company is also reskilling our workforce through structured learning paths and offering them a new-age skill identity through various talent assessments & customized learning to bridge skill gaps. The Company continues to enable internal talent growth and development by offering open dialogues, having regular performance and development reviews including structured feedback, knowledge transfer and other opportunities for enriching their career. Talent redeployment has been encouraged by providing avenues for internal mobility through talent rotation when any new opportunity of hire arises. Adding to this, opportunities to work on different projects locally and across geographies and business lines have also been provided.

The Company encourages its employees to progress within the organization as opportunities arise. The organization has a strong talent management process to evaluate the best of talent, encourage and provide career development opportunities for promising employees through individual career development plans. Developing leaders internally continues to be a priority for the Company & with that in mind, succession plans are developed for all critical roles in the organization post talent risk assessments and engagement study.

## Diversity and inclusion

As a young organization, your Company optimizes global vision of Diversity 360 - to position Diversity & Inclusion at the core of long-term business success. Your Company believed that diversity and collaboration result in innovation. The organization through various efforts and initiatives sustained and grew its diversity to 8 per cent in financial period 2021-22.

With Diversity 360 in place, the organization continues its promise to deliver brilliant employee experiences as a new company, where our extraordinary talents are given the right environment and are empowered to thrive. Diversity 360 works across four workstreams:

1. A new leadership model which focuses on D&I strategy being embedded into the everyday behaviors, policies, and leadership decisions. Your Company focused on developing a new leadership model through a people partnership approach engaging employees to define future leader needs and expectations, utilized appreciative inquiry methodology for collecting information, validated and co-created a unique leadership model with International Institute for Management Development (IMD).
2. Female acceleration with a commitment to increase gender diversity from 8 percent to 10 percent and progress female representation in middle management and top leadership roles. This year, the organization strengthened the early talent pipeline through university hiring programs and bolstered female talent attraction strategy to improve diverse experienced professionals' hires. Key talent identification and dedicated development programs to ensure female talent enablement & exposure (Female Talent Development Program) also has been on top of the list.
3. Live diversity & inclusion to create the cultural basis for collaboration and inclusiveness. To foster the D&I culture in your Company, D&I was incorporated into each business unit's accountability through SPECTRUM – the India diversity & inclusion forum. SPECTRUM provides a platform for employees' networking and engagement and also works with diversity councils to execute D&I initiatives across business units and also measure the effectiveness of all such initiatives. Different awareness programs were conducted, including unconscious bias programs.

4. Attract and grow talent aligned with your Company's values. The organization focused on amending talent attraction policies like employee referral program with improved incentive schemes, early talent attraction policy for university hires with retention schemes etc. to accelerate diversity hiring in India. An employee value proposition built on the foundation of our greater purpose, the scale and impact of work, and how the Company develops careers. The organization continues to create opportunities to grow and develop internal talent – solving the challenges of today and the demands of the future. Internal control systems and Integrity.

## Finance

Your Company continued its credible performance through relentless execution and business-led collaboration. Your Company generated revenue worth INR 4,950.9 Crore in the current 15 months period (Jan 2021 to Mar 2022) against INR 3,438.9 crore in 2020 (Jan 2020 to Dec 2020), reflecting stability of operations in difficult economic conditions. Your Company's net profit stood at INR 203.4 crore against INR 99.8 crore.

Your Company's current ratio was at 1.1 and interest coverage ratio at 6.8, showing strength in its balance sheet and its ability to maximize capital. Your Company's debtor turnover ratio was 3.4, indicating its robust collection processes. However, your Company is also discussing potential repayment mechanisms to clear historical overdues.

Inventory turnover stood at 8.2. Your Company's operating EBITA was 7.0 percent, while net profit margin was at 4.1 percent.

In 2021-22, the interest cost borne by your Company was INR 41.4 crore. As on March 31, 2022, your Company had a net debt of INR 39.1 crore. In terms of foreign currency exposure – for imports and exports – your Company continued to conservatively hedge at the point of commitment to protect the contract margins.

**Details of significant changes (i.e. change of 25 percent or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof:** The current period ratios are for the period of 15 months (Jan 2021 to Mar 2022) whereas the comparatives are for the period of 12 months (Jan 2020 to Dec 2020) and accordingly not comparable.

### Key financial ratios

Ratios	FY 2021-22 Jan 2021 to Mar 2022	FY 2020 Jan 2020 to Dec 2020
Debtors Turnover	3.4	2.0
Inventory Turnover	8.2	7.0
Interest Coverage Ratio	6.8	9.4
Current Ratio	1.1	1.1
Debt Equity Ratio	NA*	NA*
Operating Profit Margin (%)	7.6	7.8

Ratios	FY 2021-22 Jan 2021 to Mar 2022	FY 2020 Jan 2020 to Dec 2020
Operating EBITA (%)	7.0	5.7
Net Profit Margin (%)	4.1	2.9
Details of any change in return on networth as compared to immediate previous financial year along with a detailed explanation thereof	NA**	NA**

\* Not applicable as your Company had short-term borrowing only in books. Disclosure of accounting treatment: Your Company followed IND\_AS and has detailed its accounting policy in Note 2 of the financial statements.

\*\* The current period numbers are from January 2021 to March 31, 2022 (15 months) whereas previous year was of 12 months – January 2020 to December 2020.

## Risk and concerns

Risk is inherent in business. Hitachi Energy India is well-supported by vigorous risk management and governance mechanisms. Your Company risk management charter and policy provide us an overarching outline in that regard.

Your Company's Risk Management ("RM") policy details the process for identifying, escalating, prioritizing, mitigating and monitoring key risk events and action plans. During the financial period, the Risk Management policy was revisited, risks were assessed and its mitigation actions agreed.

The assessment of key risks covered areas of supply chain disruptions, people, market and competition, cyber security risks, local content and competencies, transformation project, quality, strategy, technology, finance, operations and systems, legal and regulatory and human resources risks.

There are appropriate assurance and monitoring mechanisms in place to monitor the effectiveness of your Company's Risk Management framework, including the mitigation plans identified by management for key risks. During the financial period, your Company undertook crisis management training, annual updation of crisis management plan, security plan risk and business continuity plan. Your Company continues to identify and expand its knowledge of potential risks in a changing market and handle them effectively. The Country Crisis Management Framework comprises of Central Crisis Management (represented by senior management) team supported by local crisis management team (local management & experts), fully empowered local crisis teams and have demonstrated successful working and maintaining business continuity during the waves of COVID-19.

Your Company's existing framework provides for risk reviews at various levels based on the organizational structure matrix. Periodic assessment of risks, potential impact relating to business growth, profitability, talent engagement, and market position are conducted. Response to key operational risks, based on inputs received from the internal and external assessment, internal and performance review among others are done on a regular basis.

The aim is to minimize adverse impacts, leverage market opportunities efficiently, and enhance the business competitiveness.

## Internal control systems and their adequacy

Internal Controls (IC) in your Company have been designed to withstand and further the interest of all stakeholders by providing an environment which is conducive to conduct its operations. Your Company's IC environment is in place to take care of, inter alia, financial and operational risks.

Your Company maintains a holistic framework of internal control to that effect with elements like a Country Management Committee, Group Directives and Instructions, Local Management Instructions, Entity-Level Controls, Process Level Controls and Management Testing Programs. The same provides a platform for adequate control processes commensurate with the size of the Company. A strong emphasis on integrity and ethics forms a part of your Company's work culture. An independent service provider having expertise in the field, performs Internal Financial Control effectiveness testing.

## Outlook

The world received a strong message with the release of the sixth report of the Intergovernmental Panel for Climate Change (IPCC) that warned that annual global greenhouse gas emissions were at their highest levels in human history, and without immediate and deep emissions reductions across all sectors, limiting global warming to 1.5°C is beyond reach. With immense pressure on the energy industry, countries and industries are making commitments to achieve Net Zero goals. The power industry leads the charge, and your Company is well-positioned to play a strong role. At COP26, India committed to achieving Net Zero by 2070, reducing the carbon intensity of its economy by more than 45 percent by 2030, cut down emissions by 1 billion tonnes by 2030. Energy commitments included bringing down non-fossil-based energy capacity to 500 GW and fulfilling 50 percent of energy requirements through renewable energy by 2030.

These ambitions are a key focus for the Government that has set out ambitious renewable energy targets, promoted rail electrification, incentivized electric vehicle adoption, and provided credit liquidity for distressed power entities to ensure uninterrupted power transmission. The Union Budget for 2022-23 reinforces these commitments with a broad vision for the Indian economy for the next 25 years, through four pillars of development - PM Gati Shakti, Inclusive Development, Climate Action, and Energy Transition. The budget is climate-responsive with a lot of focus on the area of the energy transition. By recognizing data centers and grid-level Battery Energy Storage System as infrastructure, the budget offers these projects better liquidity. An additional INR 19,500 crore was set aside for production-linked-investments (PLIs) for manufacturing high-efficiency solar modules with a priority on fully integrating manufacturing of various components; a step in direction of achieving 280 GW

of installed solar capacity by 2030. Other elements of the green energy push include the allocation of INR 1,400 crore for 123 MW hydro & 27 MW solar projects in FY23. Sovereign Green Bonds are also to be issued in public sector projects to reduce carbon footprint initiatives in the economy.

The Center also addresses a battery swapping policy with inter-operability to facilitate faster rollout electric vehicles and implementation of charging stations at scale and the policy will be brought out with interoperability. These steps to trigger adoption, will create demand for technology evolution. Additionally, a focus on rail and metro is highlighted with 400 Vande Bharat trains with higher efficiency for passengers to be developed in the next three years and urban transport to be connected with trains and design of metro systems to improve connectivity, efficiency and convenience for commuters and promote tourism. A revamp of urban planning that recognizes new demand and consumption patterns to grow tier 1-2 & 3 cities and towns demonstrates India's intent on achieving its COP26 ambitions while ensuring the quality of life for all its citizens.

On the back of these macro-economic trends, your Company witnessed an accelerated shift from fossil-based power production towards renewable-based generation, growing electrification of transportation, of industry, and of buildings, and even higher interest in sustainable energy carriers such as green hydrogen.

As energy and electricity demand rises, significant investment in capacity addition, grid infrastructure and energy efficiency will be required. Despite the shock from Covid-19, India's electricity demand is still projected to grow by almost 5 percent per year to 2040, according to the IEA. IEA further details that India adds capacity the size of that of the European Union to its installed base over the next two decades, with solar PV and wind accounting for more than three-quarters of the capacity additions as their costs fall. By 2030, new solar PV, whether alone or paired with battery storage, will become competitive with existing coal-fired power. Your Company needs to build capacity, flexibility and resilience in its power infrastructure to integrate increasing amounts of intermittent renewables and distributed energy and address new supply and demand challenges.

Your Company sees utilities investing in power quality, digitalization, and cybersecurity. With more data available, utilities are also relying more on data analytics for load forecasting, generation planning, managing peaks and increasing customers' awareness regarding energy efficiency. Big data and cloud computing are useful tools that are aiding these initiatives. Cloud models are lowering utilities' IT capital expenditure and offering unlimited computing and advanced analytics, while IoT is helping power companies remotely monitor, manage and protect their assets. Utilities are also pursuing digitalization of their operations, investing in asset and fleet management, remote monitoring and new service and maintenance contracts.

The rise in renewable energy will continue to challenge existing high-baseload structures in favor of distributed generation and

volatile energy sources dependent on weather. As electricity generation grows increasingly volatile and decentralized, schedulers, traders, and risk managers will need to be able to react quickly to changing supply and demand conditions. Your Company will leverage technology solutions, from interconnections and backbone transmission to grid edge, from storage to power quality, with digitalization across the value chain and collaboration across all stakeholders. In addition, your Company has seen large corporates increasingly signing power purchase agreements (PPAs) with generators to meet their energy requirements. Most of these are signed with renewable energy generators, enabling them to increase the share of renewable energy in their total consumption.

Your Company looks at playing an active role in renewable energy integration as the government aims to increase generation capacity; in railway electrification with 27,000 kilometers yet to be electrified by 2023; in regional transport ventures such as National Capital Region Transport Corporation (Delhi – Meerut) and high-speed rail (Ahmedabad – Mumbai), and in metro projects that are either under execution or in planning. Data centers hold vast untapped potential for your Company in India. With the Government expected to roll out a data center policy soon, your Company will likely see exponential growth and areas to pitch its products and services for segment augmentation and business growth.

Your Company is also awaiting further developments in the e-mobility space which is at a nascent stage in the country right now. With many cities coming up with a Bus Rapid Transit System, there is an opportunity area that can go electric. At the get-go, your Company is well placed to support the segment with its award-winning, innovative flash and fleet charging solutions – Grid-eMotion™ Flash and Grid-eMotion™ Fleet.

Significant increase in power requirements of large metro cities drives efficient transmission projects using HVDC with minimum right of way requirements with high reliability & resilience to support grid stability. India's renewable power generation is expanding using GW-scale projects which inherently need long-distance power transmission with minimum losses. HVDC finds the most suitable application for these offering renewable power evacuations with flexibility to manage sudden generation changes and very special grid conditions. As leaders in HVDC technology, your Company is well-positioned to take advantage of these opportunities with its offerings.

Your Company believes the carbon-neutral future is electric and sees itself playing a leading role in driving the Energy Transition. Your Company cares about social value – ensuring reliable and affordable energy supply; environmental value – ensuring sustainable development; and economic value – bringing cost optimization/effectiveness for our customers. Through its digital and energy platform, your Company offers intelligent solutions to customers and partners for a sustainable energy future and contribute better to the Sustainable Development Goals.

## Opportunities and threats

In 2022-2023, your Company looks forward to playing an even more active role in renewable energy integration. As the Government aims to increase generation capacity, complete railway electrification, improve urban infrastructure and transportation, and encourage manufacturing and entrepreneurship, clean energy underpins all of this for sustainable development.

The Indian Railways plans to become the world's first 100 percent green railway system by 2030 (source: Press Information Bureau). Additionally, regional transport ventures, high-speed rail, and metro projects are either under execution or being planned. Your Company is also seeing investments starting to happen toward port upgradation i.e., deployment of smart port infrastructure and shore-to-ship power systems. This is an encouraging development and with your Company's offerings, your Company is well-positioned to take advantage of it. According to McKinsey, the country's cities are expected to grow rapidly from 340 million people in 2008 to 590 million by 2030. With the growing population of India, manufacturing and industrialization are also growing with robust demand. The population also gives India an opportunity to become a global manufacturing hub. With the pressure on clean energy and zero emissions, transportation, urbanization, and industrialization provide opportunities for your Company's power solutions and power products.

With increased digitalization, industries are moving to the cloud. This, along with data privacy and data security concerns makes data centers another market with untapped potential. With the Government expected to roll out a new data center policy soon, your Company expects to see exponential growth and areas to pitch its products and services for segment expansion and business growth.

The fast-evolving e-mobility space is also an area of opportunity, as policy and infrastructure around electric vehicles develops. Besides individual person commuter vehicles, mass transit is also going electric. Your Company sees itself well-placed to support the segment with its award-winning, innovative flash and fleet charging solutions – Grid-eMotion™ Flash and Grid-eMotion™ Fleet.

India's power system has undergone massive transformation due to significant reforms by the Government of India in the past. Their reforms have led to the creation of a single national power grid (One Nation One Grid) and boosted access to electricity for citizens across urban and rural areas. The system has been in surplus in recent years thanks to the investment in generation. However, our Country's power infrastructure has also aged greatly and needs greater investment in power product and system upgradation. As the country pursues the commitments made at COP26, and the path to Net Zero by 2070, your Company has the expertise to support the energy transition goals – to bring down non-fossil-based energy capacity to 500 GW and fulfil 50 percent of energy requirements through renewable energy by 2030.

Through power quality solutions, microgrids and battery energy storage, renewable integration and power management solutions, your Company is poised to help the nation redefine a flexible, digital and secure grid. As leaders in HVDC technology, your Company sees opportunities for inter-regional links and upgrades of maturing HVDC stations. With the increasing digitalization of the power grid, cybersecurity becomes an important aspect relating to critical infrastructure. Additionally, with digital twins, remote monitoring, eco-efficient products and maintenance options, managing power infrastructure to ensure reliability and ease of maintenance is an area of opportunity.

As your Company became more reliant on technology owing to a systemic push for Digital India and EV adoption, electricity will be the backbone of its entire energy system and the national economy. An efficient grid will make for overall economic prosperity while helping it to achieve its climate and

renewable energy targets. In all this, your Company is confident that it has the expertise and footprint to build on the momentum and power ahead.

## Cautionary statement

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to your Company's operations. These include climatic and economic conditions affecting demand and supply, Government regulations, taxation, and natural calamities over which the Company does not have any direct control.



# Annexure – B to Board’s Report

## Statement of Disclosure of Remuneration

The information relating to remuneration of Directors / Key Managerial Personnel 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. Ratio of the remuneration of each Executive Director to the median remuneration of the employees of the Company for the financial period 2021-22, the percentage increase in remuneration of Managing Director & Chief Executive Officer, Chief Financial Officer and General Counsel & Company Secretary during the financial period 2021-22 (Jan 2021 to March 2022).

Sl. No.	Name of the Director / Key Managerial Personnel	Designation	Ratio of remuneration of each Director to median remuneration of employees	Percentage increase in Remuneration
I	Mr. Nuguri Venu	Managing Director (MD) and Chief Executive Officer	47:1	15% *
II	Mr. Ajay Singh	Chief Financial Officer	-	25% *
III	Mr. Poovanna Ammatanda	General Counsel & Company Secretary	-	18% *

\* percentage of increase in remuneration relates to fixed component of salary. Other components of the remuneration is as disclosed elsewhere in the Report.

Notes:

- Revision in remuneration of Mr. Nuguri Venu, Managing Director and Chief Executive Officer was effective March 2020 recommended by Nomination & Remuneration Committee and approved by Board of Directors on February 08, 2021. It was paid during financial period 2021-22.
  - Annual Revision in remuneration was w.e.f. July 1, 2021 for all Key Managerial Personnel. Considering the increase in remuneration of MD & CEO w.e.f. March 2020 and annual revision w.e.f. July 21, 2021, the percentage increase is 30.32%
  - Independent Directors of the Company are entitled for sitting fees and commission as per the statutory provisions and within the limits approved by the share holders. As a policy, the Non-Executive-Non-Independent Directors are neither paid sitting fee nor paid any commission. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the above purpose.
- Percentage increase in the median remuneration of employees for the financial year: 8%.
  - Number of permanent employees on rolls of the Company as on March 31, 2022 : 2267 employees.
  - Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial period and its comparison with the percentile increase in the managerial remuneration and justification thereof and to point out if there are any exceptional circumstances for increase in the managerial remuneration.  
The average increment of all employees and managerial personnel is based on performance targets, inflations, prevailing industry trends and benchmark. The same is as per Company’s increment guideline.
  - Affirmation that the remuneration is as per remuneration policy of the Company:  
It is hereby affirmed that the remuneration paid to Directors, KMPs, and employees is as per the Remuneration Policy of the Company.

For and on behalf of Board of Directors  
**For Hitachi Energy India Limited**  
 (formerly known as ABB Power Products and Systems India Limited)

Achim Michael Braun  
 Chairman  
 DIN: 08596097

Place : Bengaluru  
 Date : May 27, 2022

# Annexure – C to Board's Report

## Conservation of energy, technology absorption, foreign exchange earnings and outgo.

Pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

### A. Conservation of energy

#### 1. Steps taken or impact on conservation of energy:

- Oven fuel and thermic fluid system optimization at the Instrument Transformer factory at Maneja resulted in tangible savings of 8KL High Speed Diesel (HSD).
- Optimization of operational hours of the industrial air conditioning system of the winding area at Instrument Transformer factory at Maneja resulted in saving of 243 MWh per annum.
- Usage of Piped Natural Gas (PNG) instead of HSD for the oven started at the Power Transformer factory at Maneja. Annual usage of HSD was 688 KL for oven operation.
- Replaced conventional and metal halide lights with energy efficient light emitting diode light fixtures in offices, production bays, testing and store areas. All upcoming infrastructure investments are planned with installation of energy efficient light emitting diode.
- Installation of lighting transformers to get constant voltages for installed high-bay lights in Savli factory.
- Power saving in lighting achieved by installing motion sensors in washrooms. Roof skylight sheets installed in all bays of dry & traction transformer bay. Installed timers in high bay light fixtures of core, assembly and active part area in dry & traction transformer and Gas Insulated Switchgear (GIS) factories at Savli. It has resulted in energy saving by controlling the operation of lights in day hours.
- Installation of Variable Frequency Drive (VFD) in air compressors to get better reliability and efficiency of compressors along with energy conservation.
- Maintaining power factor of 0.99 by automatic power factor control panel & getting rebate into energy bill of Madhya Gujarat Vij Company Limited (MGVCL) at GIS feeder factory Savli.
- Fresh water consumption was reduced by 38% at Halol factory by taking several initiatives like starting usage of river water than ground water, installation of various flowmeters and sensors into the water network across the factory.
- New Reverse Osmosis (RO) Plant was installed for treatment of processed water from the central effluent treatment plant at Mysore factory which resulted in reduction in freshwater consumption by 46 KL/Month.
- The treated water (~ 30%) from RO plant is recycled back to the process there by reducing freshwater intake from the river at Mysore factory.
- Converting wood dust into biofuel for installed boiler at Mysore factory.

#### 2. The steps taken by the Company for utilising alternate sources of energy:

- Achieved 100% fossil-free electricity in its own operations as part of Sustainability 2030 target of becoming carbon-neutral in own operations.
- To achieving fossil free electricity various steps were taken during the year such as installing solar roof panels, switching electricity contracts to green tariffs, buying International Renewable Energy Certificates (IRECs), and entering into Power Purchase Agreements (PPA)

#### 3. The Capital Investment on energy conservation equipment's:

- Variable Frequency Drive (VFD) in air handling unit air compressors
- Power factor improvement solutions
- Equipment for using PNG in thermic fluid heater instead of HSD
- New Reverse Osmosis (RO) Plant
- Light emitting diode lighting, motion sensor system for lighting control

### B. Technology absorption

#### 1. Technologies imported during the last three years

- 400kV High Voltage Direct Current (HVDC) manufacturing technology through Raigarh-Pugalur project
- 7.76 Mega Volt Ampere (MVA) 22/0.87 kV Aluminum Wound Excitation Transformer

- 1.33 MVA 22/0.63-0.63 copper wound traction duty transformer
- Transient voltage protection technology for protection against switching surges
- Short circuit test on largest rated 7760 kVA dry type excitation transformer
- Elliptical windings for 800kV ultra high voltage alternating current transformers
- Common design system (TrafostarLite) design platform to develop 30.24MVA 220kV 1-ph railway trackside transformers and was short-circuit tested
- Touchless inspection of power transformers with TXplore – an inspection robot remotely operated without the need to remove oil from transformer
- Pilots to demonstrate digital transformer technologies on new and installed power transformers
- New UHVDC transformer manufacturing technology
- Global transformer digitalization project with lab testing transformer
- Dynamic short-circuit test on 400kV 110MVA station transformer at National High Power Test Laboratory (NHPTL) Bina lab
- Local skillset for Seismic study, 3-D dielectric and electromagnetic
- 6.8 MVA 22/0.76 aluminum wound excitation transformer
- 3.5/4 MVA 33/27.5 single phase aluminum wound transformer
- 400kV GIS module production technology at local feeder factory
- “V” type center break disconnecter (145kV, 44kA) sound transmission class rating
- 145kV GIS (ELK04) bay and module production
- Dead Tank Breakers (72.5kV and 145kV) from US started
- Plug and switch system 145kV (MEB0) from Italy started
- Static synchronous compensator valve assembly process
- HVDC Classic Line Commutated Converter (LCC) engineering and site installation & commissioning services
- HVDC transformer expert services
- HVDC Classic (LCC) valve assembly
- HVDC Light Voltage Source Converter (VSC) valve assembly
- Reliability centered maintenance solutions (RelCare)
- Prefabricated GIS substation as an alternative to Reinforced Cement Concrete (RCC) Buildings
- Base Solutions for photo-voltaic skid (Solar Applications)
- Building Information Modelling (BIM) for substation project lifecycle
- Revit for 3D Design
- New integrated test switch type RTNA14 in 2019
- Manufacturing of test switch type RTNA started
- New bistable relay for Potential Transformer (PT) selection under COMBIFLEX portfolio

## 2. Efforts made towards technology absorption

- Deployed new UHVDC transformer manufacturing technology
- Completed global transformer Digitalization project with lab testing transformer
- Completed dynamic short-circuit test on 400kV 110MVA station transformer at NHPTL Bina lab
- Developed local skillset for Seismic study, 3-D dielectric and electromagnetic
- Developed 6.8 MVA 22/0.76 Aluminum wound excitation transformer
- Developed 3.5/4 MVA 33/27.5 single phase aluminum wound transformer
- Establishment of new feeder factory to locally produce and supply modules for 400kV and 145kV GIS
- Investment for ramping up existing production unit set up to adapt new 145kV GIS.
- Localization of components to lower down the cost and follow “make in India” initiative
- Introduction of DDV72.5, DDV145 & DDV170 for North American (NAM) market
- Improvement on drying and impregnation system “Induction heating and single impregnation process”
- MECB (Metal Enclosed Capacitor Bank) Local variant developed
- Switched capacitor panel with bus bar rating of 40 kA for 3s tested successfully
- DC capacitor technology competency developed (North-East Agra Raigarh - Pugalur 800kAV HVDC system DC capacitor bank commissioned). Supporting DC capacitor spares requirement in the market
- Single phase 690V Power Quality Compensator – Reactive (PQCR) supplied to railways dedicated freight corridor project
- Capacitor units qualified for North American market
- New valve factory setup at Chennai
- On-job training on Revit tools and BIM during the engineering phase
- Tendering of Electric Vehicles (EV) solutions to customers

## 3. Benefits derived as a result of the technology absorption

- Make In India, cost benefits: Cost reduction, cost-effective product introduction, more competitive
- Increase in export market
- Lean manufacturing and reduction in power consumption

- Successful manufacturing of 800kV and 400kV HVDC converter transformers for Power Grid Corporation of India Ltd's Raigarh-Pugalur HVDC station
- Developed local technical and operational knowhow by systematically working with transformer eDevices and digitalization tools such as CoreSense, CoreTec, TXplore and Ellipse APM edge
- Dynamic short-circuit testing of large transformers can be done at NHPTL Bina India lab and provide savings for both shipping time and cost
- Reduced dependency on global simulation team for complex transformer design solutions. Provides opportunity for development of competitive and safer solutions
- Paves the way for establishment of Aluminum conductors for higher end of dry transformer product range. More customer confidence in Hitachi Energy dry transformer technology
- Qualification for various requirements Engineers India Ltd., Railway segment (Make in India)
- After-sales support for old as well as new installations where Sweden has supplied the product (Make in India)
- In line with Make in India and Localization requirements, to meet 50% local content requirements
- Market penetration and expansion in COMBIFLEX and COMBITEST portfolio

#### 4. The expenditure incurred on Research and Development:

Considering the nature of research and development, complexity, competency required, time frame, amount and also to optimize overall cost, all major R&D efforts are pooled centrally at the Group level. The expenditure had been mainly in the nature of payment of license fee for use of technology know-how reported as royalty and technology fees under other expenses. Certain development activities carried out by the Company have been billed to the Group central technology center. Local R&D activities undertaken by the Company were mainly in localizing the products, adoption of global products to local environment, carrying out cost saving actions and other improvements.

#### C. Foreign exchange earnings and outgo

##### Total foreign exchange used and earned

(Amount in INR crores)

	2021-22 (January 01, 2021 to March 31, 2022)	2020 (January 01, 2020 to December 31, 2020)
Foreign Exchange earned	1,123	616
Foreign Exchange used	1,304	934

For and on behalf of Board of Directors  
**For Hitachi Energy India Limited**  
 (formerly known as ABB Power Products and Systems India Limited)

Place : Bengaluru  
 Date : May 27, 2022

Achim Michael Braun  
 Chairman  
 DIN: 08596097

# Annexure – D to Board’s Report

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

### 1. Brief outline on CSR policy of the Company:

#### **Corporate Social Responsibility Policy of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited)**

Hitachi Energy India Limited (“the Company”) as a responsible Corporate entity strives to reach out to wider community to ensure well-being of needy as a part of its Corporate Social Responsibility (“CSR”). The Company has always believed in and contributed to the society. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth and is internalized as integral part of the Company’s strategy.

The Company views corporate social responsibility as a channel to further its cause of “bringing power to all by shaping the future of sustainable energy”. The Company is committed to sustainable and inclusive development of the community’s social capital through active engagement.

The Company has formulated a Policy for its CSR and also identified the following key areas for undertaking CSR activities:

- **Promote gender equality and empowering of women in engineering work force**  
To promote gender equality by ensuring initiatives to empower / advancement of women and in the engineering work force, thereby increasing diversity and inclusion.
- **Endorse education, employability & health care**  
To create necessary infrastructure and resources to enable promotion of primary education among children and impart vocational skills training to the youth, promoting health care including preventive health care.
- **Social impact projects**  
To collaborate with communities to provide innovative off-grid solutions to improve access to electricity in the country, especially in rural areas for its development.
- **Support national disaster management and other Government initiatives**  
To actively support national disaster management including relief, rehabilitation and reconstruction activities and support in other initiatives for promoting, including preventive measures for health care systems, hygiene and sanitation.
- **Aid in sustainable development goals**  
To promote an ecosystem for sustainable development goals by encouraging usage of indigenous, innovative and sustainable solutions by aiding, development, promoting, facilitating and undertaking testing of new frontiers of science, technology, engineering, and environment in partnership with like-minded institutions, incubators and sponsors.

The CSR policy was amended by the Board of Directors based on the recommendation of the CSR Committee at its meeting held on May 05, 2021 and was further amended in the Committee meeting held on February 09, 2022 and approved by the Board of Directors in meeting held on February 09, 2022 consequent to change in name of the Company.

The Company’s Corporate Social Responsibility Policy is available at the following link: <https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies>



## 2. Composition of the CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Akila Krishnakumar	Chairperson - Independent Director	5	5
2	Mr. Sanjeev Sharma *	Member - Non-Executive Director	5	1
3	Mr Achim Michael Braun *	Member - Non-Executive Director	5	4
4	Mr. Nuguri Venu	Member - Managing Director and Chief Executive Officer	5	5

\* at the meeting of the Board of Directors held on February 26, 2021, Mr. Achim Michael Braun was inducted as Member of the CSR committee in place of Mr. Sanjeev Sharma consequent to the reconstitution of the Board.

## 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:

Composition of CSR committee	<a href="https://www.hitachienergy.com/in/en/investor-relations/board-of-directors">https://www.hitachienergy.com/in/en/investor-relations/board-of-directors</a>
CSR policy	<a href="https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies">https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies</a>
CSR projects approved by the board	<a href="https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#corporate-social-responsibility--csr-">https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#corporate-social-responsibility--csr-</a>

## 4. Provide the details of the Impact assessment of the CSR projects carried out in pursuance of sub-rule (3) of the rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the reports):

Not applicable

## 5. Details of the amount available for set-off in pursuance of sub-rule (30) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for the set off for the financial year if any:

Not applicable

## 6. Average net profit of the Company as per section 135(5):

Your Company was incorporated on February 19, 2019. The average net profit for financial period 2021-22 was to be derived from financial period 2019 and FY 2020 net profit. The net profit was INR 178.96 crores for computation of CSR amount

7. (a) Two percent of average net profit of the Company as per section 135(5) INR 3,57,92,513/- for financial period 2021-22  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: NIL  
 (c) Amount required to be set-off for the financial year, if any : NIL  
 (d) Total CSR obligation for the financial year (7a+7b+7c): INR 3,57,92,513/- for financial period 2021-22

## 8. (a) CSR amount spent or unspent for the financial year:

Total amount spent for the Financial Year (in INR)	Total amount transferred to unspent CSR account as per section 135(6)		Amount unspent (in INR)		
			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of fund	Amount	Date of transfer
INR 2,15,00,880/-	INR 1,42,91,633/-	April 28, 2022	NA	NIL	NA

## b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5	6	7	8	9	10	11		
Sl. No	Name of the project	Item from the list of activities in scheduled VII of the ACT	Local Area (Yes / No)	Location of the project	Project duration	Amount allocated for the project (in INR)	Amount spent in the current financial Year (in INR)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (INR)	Mode of implementation	Mode of Implementation-through implementing Agency		
				State	District					Name	CSR Regd no	
1	"#" Women in Manufacturing, Engineering - Achieving gender equality and empowering women	Promoting Gender equality, education & empowering women	Yes	Karnataka, Gujarat, Tamil Nadu	Bengaluru, Mandya, Mysore, Vadodara, Chennai	12 months	10,82,513/-	10,82,513/-	NIL	No	NGO- Siva Sri Charitable Trust - Sikshana	CSR Reg- 00000155
2	Ambulance service for local community, providing mobile physiotherapy services for disabled	Primary Healthcare	Yes	Gujarat	Vadodara	12 months	16,20,000/-	16,20,000/-	NIL	No	Society for Training & Vocational Rehabilitation of the disabled (Sevathirth)	CSR Reg - 00003875
3	Green initiatives for traffic islands	Environment sustainability	Yes	Gujarat	Vadodara	12 months	4,50,000/-	3,67,118/-	82,882/-	Yes	NA	NA
4	Nutrition kit to 500 under privileged Government school children at Vadodara	Primary Healthcare	Yes	Gujarat	Vadodara	3 months	2,72,475/-	2,72,475/-	NIL	No	Baroda Citizens Council	CSR Reg- 00007015
5	Creating additional 50 beds at Prakriya hospital at Peenya	Primary Healthcare	Yes	Karnataka	Bengaluru	8 months	1,26,00,000/-	92,11,870/-	33,88,130/-	Yes	NA	NA
6	Supporting C V Raman Government Hospital for new 56 bed ICU facility	Primary Healthcare	Yes	Karnataka	Bengaluru	3 months	26,77,281/-	23,84,325/-	2,92,956/-	Yes	NA	NA
7	Creating additional medical facility at Govt Hospital at Halol (Panchmahal)	Primary Healthcare	Yes	Gujarat	Halol	5 months	8,40,000/-	7,93,883/-	46,117/-	No	NGO- United Way of Baroda	CSR Reg- 00002187
8	Augmenting Paediatric & Neonatal medical facility at Govt Health Centre at Savli	Primary Healthcare	Yes	Gujarat	Savli	5 months	19,30,933/-	18,98,370 /-	32,563/-	No	NGO- United Way of Baroda	CSR Reg- 00002187
9	COVID-19 support - Paediatric ICU at Govt district Hospital, Mysore	Primary Healthcare	Yes	Karnataka	Mysore	5 months	30,00,000/-	28,46,475 /-	1,53,525/-	Yes	NA	NA
10	"#" Sustainable Public Mobility - Piloting societal adaptation of clean energy in public mobility at IIT Madras	Enhancing vocational skills & ensuring Environmental sustainability	Yes	Tamil Nadu	Chennai	12 months	36,10,000/-	NIL	36,10,000/-	Yes	NA	NA
11	"#" Smart Electric Grid - Laboratory for quality education and skill development at NIT Warangal	Enhancing vocational skills & ensuring Environmental sustainability	No	Telangana	Warangal	12 months	45,00,000/-	NIL	45,00,000/-	Yes	NA	NA
12	"#" Smart & Sustainable Community - Connecting industry, innovation and infrastructure at IIT Roorkee	Enhancing vocational skills & ensuring Environmental sustainability	No	Uttarakhand	Roorkee	12 months	20,00,000/-	NIL	20,00,000/-	Yes	NA	NA
13	Administrative cost						12,09,311/-					
<b>TOTAL (INR)</b>							<b>3,57,92,513/-</b>	<b>2,04,77,029/-</b>	<b>1,42,91,633/-</b>			

"#" : Multi-year projects

(c) Details of CSR amount spent against other than ongoing projects for the financial year : NIL

(d) Amount spent in Administrative Overheads : INR 10,23,851/-

(e) Amount spent on Impact Assessment, if applicable : Not applicable

(f) Amount spent for financial year (8b+8c+8d+8e): INR 2,15,00,880/-

(g) Excess amount for set off, if any : NIL

Sl. No.	Particulars	Amount (in INR)
(i)	Two percent of average net profit of the Company as per section 135(5)	INR 3,57,92,513/- for the period Jan 2021-Mar 2022
(ii)	Total amount spent for the financial year	INR 2,15,00,880/- (as on March 31, 2022)
(iii)	Excess amount spent for the financial year {(iii)-(i)}	NA
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set-off in succeeding financial years {(ii)-(v)}	NA

## 9. (a) Details of Unspent CSR amount for the preceding three years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (INR)	Amount spent in the reporting Financial Year (in INR)	Name of Fund	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any (in INR)	Date of transfer	Amount remaining to be spent in succeeding Financial Years (in INR)
1	Financial period 2019 (February 19, 2019 to December 31, 2019)	NA	NA	NA	NA	NA	NA
2	FY 2020 (January 01, 2020 to December 31, 2020)	3,33,83,488/-	3,23,08,016/-	NA	NA	NA	10,75,472/- **
3	Financial period 2021-22 (January 01, 2021 to March 31, 2022)	1,42,91,633/-	2,15,00,880/-	NA	NA	NA	1,42,91,633/-
	<b>Total</b>	<b>4,76,75,121/-</b>	<b>5,38,08,896/-</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>1,53,67,105/-</b>

**Note:** \*\* Amount relates to adjustments required towards other statutory deductions

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

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID	Name of the project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in INR)	Amount spent on the project in the reporting Financial Year (in INR)	Cumulative amount spent at the end of reporting Financial Year (in INR)	Status of the project- Completed/ ongoing
1	NA	Smart Electric Grid - Laboratory for quality education and skill development at NIT Warangal	Enhancing vocational skills & ensuring environmental sustainability	12 months	80,00,000/-	74,28,537/-	74,28,537/-	Completed
2	NA	Sustainable Public Mobility - Piloting societal adaptation of clean energy in public mobility (IIT Madras)	Enhancing vocational skills & ensuring environmental sustainability	10 months	1,15,00,000/-	1,15,94,987/-	1,15,94,987/-	Project Completed, Handing over is pending
3	NA	Greener Smart City - connecting industry, innovation and infrastructure (IIT Roorkee)	Enhancing vocational skills & ensuring environmental sustainability	10 months	50,00,000/-	44,97,809/-	44,97,809/-	Project Completed, Handing over is pending
4	NA	Empowering women in Manufacturing, Engineering -	Promoting gender equality	12 months	40,00,000/-	40,00,000/-	40,00,000/-	Completed
5	NA	Covid-19 Innovations Deployment at C-CAMP (Center for Cellular and Molecular Platforms)	Healthcare	12 months	47,00,000/-	47,00,000/-	47,00,000/-	Completed
6	NA	Support Surgical / Medical assistance to underprivileged children	Nutrition, Primary Healthcare	One time	20,00,000	20,00,000	20,00,000	Completed
7	NA	Support under privileged children for health care & education	Nutrition, Primary Healthcare	One time	5,00,000	5,00,000	5,00,000	Completed
		<b>Total</b>			<b>3,57,77,000/-</b>	<b>3,47,21,333/-</b>	<b>3,47,21,333/-</b>	

10. In case of creation of acquisition of capital asset furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) : NIL

(a) Date of creation or acquisition of the capital asses(s) : NA

(b) Amount of CSR spent for creation or acquisition of capital asset : NA

(c) Details of entity or public authority or beneficiary under whose name such capital asset is registered, their address etc., : NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset) : NA

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5) :

Due to the Covid-19 pandemic few beneficiaries were not operating and accessible therefore, your Company was unable to spend 100 percent earmarked amount for Financial period 2021-22. Your Company has earmarked projects which are active (as listed in sl # 8 (b)) and will make efforts to spend the unspent amount of INR 1,42,91,633/- in FY 2022-23. This unspent amount of INR 1,42,91,633/- was transferred to dedicated "Unspent CSR Bank account" on 28 April 2022. The implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of Board of Directors

For **Hitachi Energy India Limited**

(formerly known as ABB Power Products and Systems India Limited)

Nuguri Venu  
Managing Director and Chief Executive Officer  
(DIN:07032076)

Akila Krishnakumar  
Chairperson – CSR Committee  
(DIN:06629992)

Place : Bengaluru

Date : May 27 2022

# Annexure – E to Board's Report

## FORM AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto (Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014).

### Details of contract entered into with related parties during financial period 2021-22 (January 01, 2021 to March 31, 2022):

#### 1. Details of contracts or arrangements or transactions not at arm's length basis:-

There were no contracts or arrangements or transactions entered into during the financial period ended March 31, 2022 which were not at arm's length basis.

#### 2. Details of material contracts or arrangement or transactions at arm's length basis:

a	Name(s) of the related party and nature of relationship	
b	Nature of contracts/arrangements/transactions	Given below details of transactions entered into at arm's length but not in the ordinary course of business
c	Duration of the contracts/arrangements/transactions	
d	Salient terms of the contracts or arrangements or transactions including the value, if any.	

Related Party Transactions (RPT) between ABB India Limited and Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited):

(Amount in INR crores)

Nature of RPT	Board meeting date	Duration in month	Total	Financial year
				Financial Period 2021-22 (January 01, 2021 to March 31, 2022)
Maneja Lease of Property	Feb 26, 2021	2	0.08	0.08
Maneja Power Services (Electricity and DG)	Feb 26, 2021	2	4.85	4.85
Maneja Lease of Property	Feb 26, 2021	4	0.17	0.17
Maneja Power Services (Electricity & DG)	Feb 26, 2021	4	9.70	9.70
Peenya Power Services (Electricity & DG)	Feb 26, 2021	6	1.21	1.21
Maneja Lease of Property	Feb 26, 2021	2	0.16	0.16
Maneja Lease of Property	Feb 26, 2021	4	0.33	0.33
Issuance of counter (back-to-back) bank guarantee	Feb 26, 2021	-	4.61	4.61
Issuance of counter (back-to-back) bank guarantee	Feb 26, 2021	-	15.37	15.37
Issuance of counter (back-to-back) bank guarantee	Feb 26, 2021	-	11.39	11.39
Issuance of counter (back-to-back) bank guarantee	Feb 26, 2021	-	0.31	0.31
Maneja Lease of Property	July 23, 2021	6	0.25	0.25
Peenya Power Services (Electricity & DG) Services Charge	July 23, 2021	6	1.52	1.52
Maneja Power Services (Electricity & DG) Services Charge	July 23, 2021	6	15.43	15.43
Maneja Lease of Property	July 23, 2021	6	0.49	0.49
Maneja Power Services (Electricity & DG)	Oct 22, 2021	6	15.43	15.43
Peenya Power Services (Electricity & DG)	Oct 22, 2021	6	1.52	1.52
Payment of real estate related expenses	Oct 22, 2021	-	48.78	48.78
<b>Total</b>			<b>131.60</b>	<b>131.60</b>

Related Party Transactions between Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) and Hitachi Energy Holdings Ltd (formerly known as ABB PG Power Grids Ltd [CHPPG]):



(Amount in INR crores)

Project Details	Board meeting date	Duration in month	Grand Total	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Transitional Service Agreement	Jul 23, 2021	120	107	-	8.0	10.7	10.7	10.7	10.7	10.7	10.7	10.7	10.7	10.7	2.7
Project REIWA	Jul 23, 2021	120	133	-	10.0	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3	13.3	3.3
<b>Total</b>			<b>240</b>	<b>-</b>	<b>18.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>	<b>6.0</b>

Related Party Transactions between Hitachi Energy Ltd. and Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited):

(Amount in INR crores)

Nature of RPT	Board meeting date	Duration in month	Total	Financial year
				Financial period 2021-22 (January 01, 2021 to March 31, 2022)
Seeking reimbursement of real estate related cost from Hitachi Energy Ltd.	Oct 22, 2021	-	48.78	48.78
Seeking reimbursement of reorganization cost from Hitachi Energy Ltd.	Oct 22, 2021	-	46.00	46.00
<b>Total</b>			<b>94.78</b>	<b>94.78</b>

Related Party Transactions between Hitachi Energy South Africa (PTY) Ltd. (formerly known as ABB Power Grids South Africa (PTY) Ltd.) and Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited):

(Amount in INR crores)

Nature of RPT	Board meeting date	Duration in month	Total	Financial year
				Financial period 2021-22 (January 01, 2021 to March 31, 2022)
Cross charging of M&S employee salary	May 05, 2021	12	0.64	0.64
<b>Total</b>			<b>0.64</b>	<b>0.64</b>

Note:

The related party transactions with ABB India Limited and other related parties which are not in the "ordinary course of business" and were mostly necessitated consequent to Demerger of Power Grids Business during the year 2019.

For and on behalf of Board of Directors

For **Hitachi Energy India Limited**

(formerly known as ABB Power Products and Systems India Limited)

Achim Michael Braun

Chairman

DIN: 08596097

Place : Bengaluru

Date : May 27, 2022

# Annexure – G to Board's Report

## Report on Corporate Governance

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

The Company is committed to good Corporate Governance. The Company fully realises the rights of its Members to information on the performance of the Company and considers itself a trustee of its Members. The Company is providing detailed information on various issues concerning the Company's business and financial performance to its Members. The basic philosophy of Corporate Governance in the Company is to achieve business excellence and dedicate itself for increasing long-term Members value, keeping in view the needs and interests of all its stake holders. The Company is committed to transparency in all its dealings and places emphasis on business ethics.

### 2. Board of Directors

I. The Board of Directors consists of 6 Directors viz., three Independent and three Non-Independent, out of which two Independent Directors are women Directors. Out of the three Non-Independent Directors, one is a Managing Director and CEO, and which is in conformity with the requirements of Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Chairman of the Board is a Non-Executive and Non-Independent Director.

II. Except the Managing Director and Independent Directors, remaining two Non-Independent, Non-Executive Directors are liable to retire by rotation. In the ensuing Annual General Meeting, Mr Achim Michael Braun (DIN: 08596097), Non-Executive and Non-Independent Director, who is liable to retire by rotation and being eligible has opted for re-appointment. He is a Nominee Director of Promoter. There is no relationship between the Directors inter-se during the period under review, other than payment of sitting fees, and payment of commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Company. Mr. Mukesh Butani, Ms. Akila Krishnakumar and Ms. Nishi Vasudeva, Independent Directors have been appointed for a period of three years, with effect from December 24, 2019 and upto December 23, 2022.

i) Composition / Category of Directors / Attendance at Meetings / Directorships and Committee Memberships in other companies as on March 31, 2022.

Name of the Director	Category <sup>(1)</sup>	Attendance			Directorship in other Indian companies <sup>(2)</sup> / Committee membership/ Chairmanship in Public Companies <sup>(3)</sup>		
		Type of Directorship	Board Meetings held during 2021-22	Board Meetings Attended	Last AGM attendance	Director	Member
Mr. Frank Duggan (Chairman) <sup>4</sup>	NED		2*	NA	NA*	NA*	NA*
Mr. Nuguri Venu <sup>5</sup>	MD & CEO		7	Yes	1	2	NIL
Mr. Achim Michael Braun (Chairman) <sup>6</sup>	NED		6**	Yes	NIL	NIL	NIL
Mr. Ismo Antero Haka <sup>7</sup>	NED	7	6**	Yes	NIL	1	NIL
Mr. Sanjeev Sharma <sup>8</sup>	NED		2*	NA	NA*	NA*	NA*
Mr. Mukesh Butani <sup>9</sup>	NED (I)		7	Yes	5	4	1
Ms. Akila Krishnakumar <sup>9</sup>	NED (I)		7	Yes	5	1	0
Ms. Nishi Vasudeva <sup>9</sup>	NED (I)		7	Yes	6	7	1

1) Category : NED - Non - Executive Director, MD - Managing Director, CEO – Chief Executive Officer, NED (I) - Non-Executive Director and Independent.

2) Includes directorships in private limited companies and Section 8 (non-profit) companies.

3) Includes only Audit Committee and Stakeholders' Relationship Committee of public limited companies. None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees across all listed companies in which they are Directors.

- 4) Appointed as Director and Chairman of the Board w.e.f. December 24, 2019 and resigned w.e.f. February 25, 2021.
- 5) Appointed as Director and Managing Director w.e.f. December 2, 2019. Also, appointed as Chief Executive Officer (CEO) w.e.f. February 25, 2021.
- 6) Appointed as Chairman and Non-Executive Director w.e.f. February 25, 2021.
- 7) Appointed as Non-Executive Director w.e.f. February 25, 2021.
- 8) Appointed as Director w.e.f. February 19, 2019 and resigned w.e.f. February 25, 2021.
- 9) Appointed as Independent Director w.e.f. December 24, 2019.

\*Attended Board meeting held on February 08, 2021 and February 25, 2021 and had resigned w.e.f. February 25, 2021, was not required to attend adjourned meeting held on February 26, 2021.

\*\* Attended Board meeting held on February 25, 2021 and was appointed in the same meeting which was adjourned and continued on February 26, 2021.

In addition, two meetings of Independent Directors were held during the period under review.

NOTE: All Independent Directors fulfilled the requirements stipulated in Regulation 25(1) of the Listing Regulations and the Companies Act, 2013.

- ii) No. of Board Meetings held in the financial period 2021-22 (January 01, 2021 to March 31, 2022) and dates on which held.

Seven Board meetings were held during the financial period 2021-22 i.e. on February 8, 2021, February 25, 2021 (and continued on February 26, 2021), March 26, 2021, May 05, 2021, July 23, 2021, October 22, 2021, February 09, 2022.

- iii) The Independent Directors, are from diverse fields of expertise and have long standing experience and expert knowledge in their respective fields which are very relevant as well as of considerable value for the Company's business. As part of familiarization programme as required under Listing Regulations, the Directors have been apprised during the Board/Committee Meetings about the amendments to the various enactments viz., Companies Act, 2013 (the Act) and Listing Regulations. Further, as part of Board and Committee meetings members of the Board are also apprised on various developments in business both from an internal and external perspective

During the period under review, the Company has conducted the familiarization programme and details are available on the website at : <https://www.hitachienergy.com/in/en/investor-relations/board-of-directors>

- iv) The terms and conditions of appointment of the Independent Directors are disclosed in the Company's website at : <https://www.hitachienergy.com/in/en/investor-relations/board-of-directors>
- v) Independent Directors of the Company have provided declaration as required under the Companies Act 2013 and Listing Regulations. The Board has noted the said declarations and opinion that all Independent Directors fulfill the conditions of independence and are independent of the management of the Company.
- vi) During the financial period under review, two separate meetings of the Independent Directors were held on February 26, 2021 and March 15, 2021 without the presence of Non-executive Directors / Managing Director / Management, to discuss the matter as required / agreed amongst them in accordance with the provisions of the Companies Act and Listing Regulations.
- vii) Further the Board periodically reviews the compliance reports submitted by the Management in respect of all laws applicable to the Company.
- viii) Certificate from practicing Company Secretary on eligibility of the Board of Directors to serve as Directors is enclosed to this report.
- ix) Subsequent to the transfer of 75 percent equity shares on February 05, 2021 from ABB Asea Brown Boveri Ltd. to ABB Ltd., to Hitachi Energy Ltd (Formerly known as Hitachi ABB Power Grids Ltd.), the Board of Directors was reconstituted w.e.f. February 25, 2021. Mr. Frank Duggan, Chairman and Director and Mr. Sanjeev Sharma, Director resigned w.e.f. February 25, 2021. Mr. Achim Michael Braun and Mr. Ismo Antero Haka were appointed as Chairman and Director and

Director respectively. All the committees of the Company except Audit committee were reconstituted w.e.f. February 26, 2021. Further, Environment, Social and Governance (ESG) Committee was constituted w.e.f. October 22, 2021.

III. Names of other listed entities in which person is a director and category of directorship:

SI No.	Name of the director	Name of the listed entities	Category of directorship
1	Mr. Achim Michael Braun (Chairman)	Hitachi Energy India Limited	Non-Executive, Non-Independent
2	Mr. Nuguri Venu	Hitachi Energy India Limited	Executive, Non-Independent
3	Mr. Mukesh Butani	Hitachi Energy India Limited	Independent
		Latent View Analytics Limited	Independent
		Dabur India Limited	Independent
4	Ms. Akila Krishnakumar	Hitachi Energy India Limited	Independent
		IndusInd Bank Limited	Independent
		Matrimony.com Limited	Independent
5	Ms. Nishi Vasudeva	Hitachi Energy India Limited	Independent
		HCL Technologies Limited	Independent
		L&T Finance Holdings Limited	Independent
		L&T Infra Credit Limited	Independent
6	Mr. Ismo Antero Haka	Hitachi Energy India Limited	Non-Executive, non-Independent

IV Board's core skills/expertise/competencies:

For effective functioning of the Board, your Company's Board needs to have skills/expertise/competencies in the areas of Business, Finance & Accounting and Governance/Legal. Your Company's Board comprises of people from diverse fields and across Globe. Your Company's Directors are qualified and possess the appropriate knowledge, skills, experience, expertise, diversity and independence, covering Business, Finance & Accounting and Governance/Legal. In the table given below, various skills/expertise/competencies of Board of Directors are given:

SI No.	Name of the Director	Areas of Skills/expertise/competencies		
		Business	Finance & Accounting	Governance/Legal
1	Mr. Frank Duggan (Resigned w.e.f. February 25, 2021)	√		
2	Mr. Nuguri Venu	√	√	√
3	Mr. Sanjeev Sharma (Resigned w.e.f. February 25, 2021)	√		
4	Mr. Mukesh Butani	√	√	√
5	Ms. Akila Krishnakumar	√		√
6	Ms. Nishi Vasudeva	√		√
7	Mr Achim Michael Braun (Appointed w.e.f. February 25, 2021)	√		√
8	Mr. Ismo Antero Haka (Appointed w.e.f. February 25, 2021)	√	√	√

### 3. Audit Committee

#### i) Terms of reference

The Audit Committee acts on the terms of reference given by the Board pursuant to Section 177 of the Act and Regulation 18 of the Listing Regulations.

The terms of reference are briefly described below:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the Board, appointment, re-appointment, replacement or removal (in the event of necessity) of Statutory Auditors, Cost Auditors, Secretarial Auditors and/or any other auditors including fixation of remuneration;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of sub-section (5) of Section 134 of the Act;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions; and
  - g) Qualifications in the draft audit report.
- Reviewing, with the management:
    - The quarterly financial statements before submission to the Board for approval;
    - Performance of Auditors, Internal Auditors, adequacy of the internal control systems;
  - Review and monitor the auditor's independence and performance and effectiveness of audit process;
  - Review the adequacy of Internal Audit function including the structure of the internal audit department, staffing and seniority of the head of the department, reporting structure coverage and frequency of internal audit;
  - Approval or any subsequent modification of transactions of the Company with the related parties;
  - Approval on appointment of Chief Financial Officer including the Whole time Director - Finance or any other person heading the finance function or discharging that function after assessing the qualification, experience and background etc., of such incumbent;
  - Reviewing the proposal for discontinuation/closure of any of the business operations of the Company;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Monitoring the end use of funds raised through public offers and related matters;
  - Review proposal for mergers, demergers, acquisitions, carve-outs, sale, transfer of business and its valuation report and fairness opinion, if any, thereof;
  - Evaluation of internal financial controls and risk management systems;
  - Discussing with internal auditors any significant findings and follow up there on;
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern;
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - Review the functioning of the Whistle Blower mechanism.
  - Carry out such other function as may be delegated by the Board from time to time.
  - Review various investment proposals before the same is submitted to the Board of Directors and also to review the guidelines for investing surplus funds of the Company;
  - To appoint valuers for the valuation of the undertakings or assets of the Company, wherever it is necessary including stocks, shares, securities, good will or any other assets or net worth of a Company or liability of the Company under the provisions of the Act.

In addition to the above, the following items will be reviewed by the Audit Committee:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions, (as defined by the Audit Committee) submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses ; and
- Appointment, removal and terms of remuneration of the chief internal auditor.

The Audit Committee is vested with the necessary powers to achieve its objectives.

The Committee has discharged such other role/function as envisaged under Regulation 18 (3) read with Part C of Schedule II of the Listing Regulations and the provisions of Section 177 of the Act.

The Chairman of the Audit Committee was present at the last AGM (2<sup>nd</sup> AGM held on May 27, 2021).

## ii) Composition, name of members & Chairperson, meetings held during the financial period and attendance at meetings

The Audit Committee presently consists of three Independent Directors and one Executive Director (Managing



Director and CEO). The Committee has held 5 meetings during the financial period 2021-22 (January 01, 2021 to March 31, 2022) on February 25, 2021, May 05, 2021, July 23, 2021, October 22, 2021 and February 09, 2022. The composition of the Audit Committee as on March 31, 2022 and the attendance of members at the meetings held during the financial period 2021-22 were as follows:

Members of the Committee	No. of meetings attended
Mr. Mukesh Butani (Chairman) (Independent Director)	5
Ms. Akila Krishnakumar (Independent Director)	5
Ms. Nishi Vasudeva (Independent Director)	4
Mr. Nuguri Venu	5

Mr. Poovanna Ammatanda, General Counsel, Company Secretary and Compliance Officer is the Secretary to the Audit Committee.

#### 4. Nomination and Remuneration (NRC) Committee

##### i) Terms of reference

The terms of reference and role of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations which includes formulating the criteria to:

- Determine qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- Evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Recommending to the Board on remuneration, Performance Bonus etc., payable to the Executive Director(s) / Managing Director, Commission payable to Independent Directors.
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

The policy is framed by the Nomination and Remuneration Committee and approved by the Board. The terms and conditions of appointment are disclosed in the website of the Company at: <https://www.hitachienergy.com/in/en/investor-relations/board-of-directors>

Consequent to change in the name of the Company, the policy has been amended in the NRC meeting held on May 26, 2022 and approved by the Board of Directors at their meeting held on May 27, 2022.

##### ii) Composition, name of members & Chairperson, meetings held during the financial period and attendance at meetings

The Nomination and Remuneration Committee presently consists of three Non-Executive Directors, two being independent. The Chairman is a Non-Executive and Independent Director. The Committee was constituted on December 24, 2019 and consequent to change in the Board of Directors, the Committee has been reconstituted on February 26, 2021.

During the financial period under review, 3 meetings were held on February 8, 2021, February 25, 2021 and July 23, 2021. The composition of the Nomination and Remuneration Committee as on March 31, 2022 and the attendance of members at the meeting held during the financial period 2021-22 were as follows:

Members of the Committee	No. of meetings attended
Ms. Akila Krishnakumar (Chairperson) (Independent Director)	3
Ms. Nishi Vasudeva (Independent Director)	3
Mr. Frank Duggan* (Non-Executive and Non-Independent)	2
Mr. Achim Michael Braun* (Non-Executive and Non-Independent)	1

\*The Committee has been reconstituted on February 26, 2021 consequent to the resignation of Mr. Frank Duggan and appointment of Mr. Achim Michael Braun.

### iii) Remuneration Policy/Criteria for payments to Directors/Senior Management Employees

The Company has a credible and transparent policy in determining and accounting for the remuneration of the Executive / Non-Executive Independent Directors. Independent Directors' remuneration is governed by the external competitive environment, track record of the individuals, effective participation in the meetings, comparable industry standards and performance of the Company. The remuneration determined for the Executive / Independent Directors is subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors.

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

The Board of Directors based on the recommendation of the Nomination and Remuneration Committee has adopted the performance review criteria. After the conclusion of the period under review, the revision was carried out by the Nomination and Remuneration Committee in the performance evaluation criteria. Subsequently, the Nomination and Remuneration Committee and the Board of Directors have reviewed the performance of Directors and the Board as a whole for the financial period under review.

The Non-Executive Independent Directors are compensated by way of commission for financial period 2021-22 in the financial period 2022-23 and the criteria being their attendance in the Board / Committee Meetings, apart from sitting fees and reimbursement of other expenses.

As per policy, the Non-Executive - Non-Independent Directors are neither paid sitting fee nor paid any commission.

The Independent Directors are entitled to sitting fees for attending the Board/Committee Meetings. Sitting fees for Board and Audit Committee Meetings is INR 20,000/- per Director per meeting and for other Committees, the sitting fees is INR 10,000/- per Director per meeting. During the period under review, the sitting fees has been revised w.e.f. October 23, 2022 which is INR 60,000/- for per Director for Board and Audit Committee Meetings and for other Committees, the sitting fees is INR 30,000/- per Director per meeting.

The remuneration payable to the Managing Director and CEO and Senior Management personnel including KMP are structured as fixed and variable components. The fixed remuneration comprises salaries, perquisites and retirement benefits and the variable component comprises annual performance bonus which is linked to the achievement of the score card fixed at the beginning of the year.

## 5. Details of remuneration paid to all the Directors during the financial period 2021-22

### A. Salary, Performance Bonus and Commission to Directors:

The Remuneration paid to all the Directors of the Company containing salary, performance bonus and commission to Directors is as tabled below:

(Amount in INR lakhs)

Name	Sitting fees	Salary & Perquisites	Commission	Stock Option	Pension
Mr. Frank Duggan (Chairman)	-	-	-	-	-
Mr. Nuguri Venu	-	560.32 *	-	-	-
Mr. Sanjeev Sharma	-	-	-	-	-
Mr. Achim Michael Braun	-	-	-	-	-
Mr. Ismo Antero Haka	-	-	-	-	-
Mr. Mukesh Butani	4.60	-	39.00 **	-	-
Ms. Akila Krishnakumar	4.70	-	34.00 **	-	-
Ms. Nishi Vasudeva	5.00	-	37.00 **	-	-

\*Remuneration of INR 560.32 Lakhs was for the period of 15 months (January 01, 2021 to March 31, 2022) and includes the salary arrears of INR 33.63 Lakhs which is pertaining to financial year 2020 (January 1 to December 31, 2020) paid during the financial period 2021-22 and performance bonus of INR 116.62 Lakhs pertaining to the financial period January 01, 2020 to March 31, 2021.

\*\* Commission for the financial year 2020 was paid during the financial period 2021-22.

Commission to Independent Directors for the financial period January 01, 2021 to March 31, 2022:

1. For Board Meetings: a fixed amount of INR 25 lakhs per Independent Director based on 100% participation by way of attendance in the meetings.
2. For Committee Meetings: a fixed amount of INR 3 lakhs per Independent Director based on 100% participation by way of attendance in the meetings.
3. For Chairman of the Audit Committee: a fixed amount of INR 8 lakhs for 100% participation by way of attendance in the meetings.
4. The above commission payable to Independent Directors of the Company, however, shall not exceed the aggregate 1% per annum of the net profits of the Company computed in the manner laid down in the Companies Act, 2013.
5. Commission payable for financial period 2021-22 will be paid in FY 2022-23 as follows:

Sl No.	Name of the Directors	Amt in INR
1	Mr. Mukesh Butani	39,00,000
2	Ms. Akila Krishnakumar	37,00,000
3	Ms. Nishi Vasudeva	39,40,000

#### **B. One-time Cash Retention Award:**

During the financial period under review, one-time cash retention award of INR 236.72 Lakhs (INR 78.90 Lakhs vested on February 17, 2021 and the second tranche of INR 157.82 Lakhs vested on February 17, 2022) was paid to Mr. Nuguri Venu, Managing Director and CEO of the Company based on the recommendation of Nomination and Remuneration Committee and approved by the Board of Directors. This is in line with the Remuneration Policy of the Company.

#### **C. Fixed Component/Performance Linked Incentive/Criteria:**

Performance related Bonus is payable to the Managing Director only as per the terms of Contract entered into between the Company and the Managing Director.

#### **D. Service Contract/Notice Period/Severance Fees:**

- a. The Contract of Service entered into by the Company with Mr. Nuguri Venu, Managing Director and Chief Executive Officer, provides that the Company and the Managing Director shall be entitled to terminate the agreement by giving six months' notice in writing on either side.
- b. No severance fee is payable by the Company to the Managing Director and CEO on termination of the agreement.

#### **E. Stock Option:**

The Company does not have stock option scheme therefore the same is not applicable. No Director holds any Equity shares of the Company.

None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company.

#### **F. Performance Evaluation of Directors:**

The performance evaluation of Directors including that of Independent Directors as required under the Companies Act, 2013 and SEBI Listing Regulations for the financial period 2021-22 was undertaken during the period 2022-23.

## 6. Stakeholders' Relationship Committee

The said Committee has been authorized to approve the transfer/transmission/transposition/demat/remat of shares/deletion of name and issue of duplicate share certificates and taking note of Members' grievances.

Following are the terms of reference of the Stakeholders Relationship Committee:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

The Stakeholders Relationship Committee shall discharge such other role/function as prescribed by the Board of Directors and/or envisaged under Regulation 20 read with Part D of Schedule II of the Listing Regulations and the provisions of Section 178 of the Act.

In order to expedite the process, the Board of Directors has also delegated the authority to any two of Managing Director and CEO, Chief Financial Officer and Company Secretary to approve the transfer/transmission/transposition of shares/remat/demat/deletion of name, issue of duplicate shares requests as and when required from time to time.

5 meetings of Committee were held during this financial period i.e., on February 25, 2021, May 05, 2021, July 23, 2021, October 22, 2021 and February 09, 2022.

The Committee is chaired by Ms. Nishi Vasudeva – Independent Director. Mr. Poovanna Ammatanda, Company Secretary and Compliance Officer is the Secretary to the Committee.

The composition of Stakeholders' Relationship Committee as at March 31, 2022 and attendance of members at the meetings held during the financial period 2021-22 were as follows :

Members of the Committee	No. of meetings attended
Ms. Nishi Vasudeva (Chairperson) (Independent Director)	5
Mr. Mukesh Butani (Independent Director)	5
Mr. Nuguri Venu (Managing Director and Chief Executive Officer)	5
Mr Ismo Antero Haka* (Non-Executive Director and Non-Independent Director)	4

\* consequent to the reconstitution of the Board, Mr. Ismo Antero Haka, Director has been inducted into the Committee as Member w.e.f. February 26, 2021.

There were no investor queries / investor grievances pending during the period under review. Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

The details of investors' complaints received and resolved during the financial period 2021-22 are as under:

No. of investors' complaints received during 2021-22	No. of investors' complaints resolved during 2021-22	Investors' complaints pending at the end of 2021-22
12	12	NIL

## 7. Risk Management

The Company has in place a mechanism to inform Board Members about the risk assessment and minimization procedures and review to ensure that executive management controls risks by means of a properly defined frame work. The Company has formulated a Policy on Risk Management and constituted a Risk Management Committee.

The terms of reference and Role of the Risk Management Committee are as per the provisions of Regulation 21 of the Listing Regulations which includes formulating the criteria to:

1. To formulate a detailed risk management policy which shall include:
  - a. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - b. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - c. Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
4. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
6. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

During the period under review, the Risk Management policy was revised in the meeting held on July 23, 2021 and was further approved by the Board of Directors at their meeting held on July 23, 2021. The list of tentative risks was also revisited and was adopted in consonance with the industry and market trend.

Three meetings were held during the financial period i.e., on February 25, 2021, July 23, 2021 and January 12, 2022.

The Committee is chaired by Mr. Mukesh Butani – Independent Director. Mr. Poovanna Ammatanda, General Counsel, Company Secretary and Compliance Officer is the Secretary to the Risk Management Committee.

The composition of the Risk Management Committee as on March 31, 2022 was as follows:

Members of the Committee	No. of meetings attended
Mr. Mukesh Butani (Independent Director)	3
Ms. Nishi Vasudeva (Independent Director)	3
Mr. Frank Duggan (Non-Executive and Non-Independent Director)*	1
Mr. Ismo Antero Haka (Non-Executive and Non-Independent Director)*	2
Mr. Nuguri Venu (Managing Director and Chief Executive Officer)	3
Mr. Ajay Singh (Chief Financial Officer)	3

\*The Risk Management Committee was re-constituted by the Board of Directors at its meeting held on February 26, 2021 by inducting Mr. Ismo Antero Haka in place of Mr. Frank Duggan as member of the Committee consequent to the change in Board of Directors.

## 8. Corporate Social Responsibility Committee

Pursuant to Section 135 of the Act, a Corporate Social Responsibility (CSR) Committee of the Board has been constituted.

The terms of reference and Role of the Corporate Social Responsibility Committee are as per the provisions of Section 135 of the Act, 2013.

The CSR Committee shall be responsible for formulating and recommending to the Board the CSR Policy and an Annual Action Plan, which shall include the following:

- list of CSR projects or programs that are approved to be undertaken in areas or subjects as specified in Schedule VII of the Act;
- the manner of execution of such projects or programs.
- the modalities of utilization of funds and implementation schedules for the projects or programs.
- monitoring and reporting mechanism for the projects or programs; and,
- details of need and impact assessment, if any, for the projects undertaken by the Company.
- to monitor the Corporate Social Responsibility Policy of the Company from time to time.



During the financial period under review, 5 meetings were held on February 25, 2021, May 05, 2021, July 23, 2021, October 22, 2021 and February 09, 2022.

The Committee is chaired by Ms. Akila Krishnakumar - Independent Director. The composition of Committee as at March 31, 2022 and attendance of members at the meetings held during the financial period 2021-22 were as follows:

Members of the Committee	No. of meetings attended
Ms. Akila Krishnakumar (Chairperson) (Independent Director)	5
Mr. Sanjeev Sharma* (Non Executive and Non Independent Director)	1
Mr. Achim Michael Braun* (Non Executive and Non Independent Director)	4
Mr. Nuguri Venu (Managing Director and Chief Executive Director)	5

\*The Committee was re-constituted by the Board of Directors at its meeting held on February 26, 2021 by inducting Mr. Achim Michael Braun in place of Mr. Sanjeev Sharma as member of the Committee consequent to the change in Board of Directors.

The Company has formulated a Policy for its CSR and also identified the following key areas for undertaking CSR activities#:

- Promote gender equality and empowering of women in engineering work force**  
 To promote gender equality by ensuring initiatives to empower / advancement of women and in the engineering work force, thereby increasing diversity and inclusion.
- Endorse education, employability & health care**  
 To create necessary infrastructure and resources to enable promotion of primary education among children and impart vocational skills training to the youth, promoting health care including preventive health care.
- Social impact projects**  
 To collaborate with communities to provide innovative off-grid solutions to improve access to electricity in the country, especially in rural areas for its development.
- Support national disaster management and other government initiatives**  
 To actively support national disaster management including relief, rehabilitation and reconstruction activities and support in other initiatives for promoting, including preventive measures for health care systems, hygiene and sanitation.
- Aid in sustainable development goals**  
 To promote an ecosystem for sustainable development goals by encouraging usage of indigenous, innovative and sustainable solutions by aiding, development, promoting, facilitating and undertaking testing of new frontiers of science, technology, engineering, and environment in partnership with like-minded institutions, incubators and sponsors.

\*The CSR policy was amended in the Committee meeting held on May 05, 2021 and was approved by Board of Directors held on May 05, 2021 consequent to the amendment of CSR rules as per Companies Act 2013 and was further amended in the Committee meeting held on February 09, 2022 and approved by the Board of Directors in meeting held on February 09, 2022 consequent to change in name of the Company.

The Company's CSR policy may be viewed in the Company's website at: <https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies>

Further details on CSR expenditure and projects are provided in the Annexure to Board's Report.

## 9. Subsidiary Company

The Company did not have any subsidiary during the period under review. Hence, the requirement of formulating a specific policy on dealing with material subsidiaries does not arise.

### Policy for material subsidiary:

The policy on material subsidiary is not applicable as the Company does not have any Subsidiary as on reporting date.

## 10. Managing Director (MD) and Chief Executive Officer (CEO) and Chief Financial Officer (CFO) certification

As required under Regulation 17 read with Part B of Schedule II of the Listing Regulations, the MD and CFO certification on the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting has been obtained from Mr. Nuguri Venu, Managing Director and Chief Executive Officer and Mr. Ajay Singh, Chief Financial Officer. The said certificate is annexed as Annexure 1 to this report.

## 11. General Body Meetings

### a. General Meeting

Since the Company was incorporated only on February 19, 2019, the details of first and second AGM held last year is as follows:

#### i) Location and time where last three Annual General Meetings (AGMs) were held.

For the Year	Venue	Day & Date	Time
2020	Held through Video Conferencing/Other Audio Visual Means and from Registered Office	Thursday, May 27, 2021	11:00 am (IST)
2019	Held through Video Conferencing/Other Audio Visual Means and from Registered Office	Thursday, August 13, 2020	11:00 am (IST)
2018	NA	NA	NA

#### ii) Extraordinary General Meeting

No extraordinary general meeting was held during the financial period under review.

#### iii) Special Resolution passed in the previous three Annual General Meetings

- The Company was incorporated on February 19, 2019.
- No special resolution was passed in the 1<sup>st</sup> Annual General Meeting.
- In the 2<sup>nd</sup> Annual General Meeting, following Special Resolution was passed: - To borrow money in excess of prescribed limit as per Companies Act, 2013.

### b. Postal Ballot

During the financial period ended March 31, 2022, the Company has conducted one Postal ballot which commenced at 9.00 a.m. IST on Saturday, September 11, 2021 and concluded at 5.00 p.m. IST on Sunday, October 10, 2021, vide notice of Postal ballot dated September 02, 2021 seeking approval of Members for following Special businesses (through Special resolution):

- To approve the proposed change of name of the company from "ABB Power Products and Systems India Limited" to "Hitachi Energy India Limited" and consequent alteration in the Memorandum of Association and Articles of Association of the company.

Mr. S Kannan, (Membership No. FCS 6261 / CP No. PCS 13016), Practicing Company Secretary was appointed as the Scrutinizer for conducting the Postal Ballot through remote e-voting process in a fair and transparent manner and he submitted his report dated October 11, 2021 on October 11, 2021. The dispatch of Notices and accompanying documents were completed on September 09, 2021 to all Members appearing in the records of the Company as on September 07, 2021 (cut-off date).

#### Result of the postal ballot exercise was as follows:

Res. No.	Resolution	E-VOTING		Result
		For	Against	
1	Change in name of the Company from "ABB Power Products and Systems India Limited" to "Hitachi Energy India Limited" and consequent alteration in the Memorandum of Association and Articles of Association of the Company	35267323	295	Passed with requisite majority

\* 4 Members with 54 shares abstained from voting and one Member had voted less by 2 shares

Whether any special resolution is proposed to be conducted through postal ballot: As aforementioned, one resolution was proposed as special resolution through postal ballot in financial period 2021-22. Approvals, if any, required through Postal Ballot during the financial year 2022-23 will be conducted in accordance with applicable law.

Procedure for postal ballot: e-voting through the postal ballot was conducted in accordance with the provisions contained in Section 110 and other applicable provisions, if any, of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014. The Members were provided the facility to vote through e-voting. The postal ballot notice was sent to Members in electronic form to the email addresses, where available. The Company was not required to send physical copy of postal ballot notice due to circulars issued by the Ministry of Corporate Affairs, Government of India (the "MCA") vide Circular numbers 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 read with Circular number SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as 'Circulars'), pertaining to COVID-19 pandemic. The Company also published a notice in the newspapers in accordance with the requirements under the Companies Act, 2013.

## 12. Disclosures

- i) Disclosures on materially significant related party transactions.

There was no materially significant related party transaction during the financial period having potential conflict with the interests of the Company. Transactions with related parties, as per requirements of Indian Accounting Standard 24, are disclosed in the notes to accounts annexed to the financial statements. Further the Company has not entered into any transaction of a material nature with the Promoters, subsidiaries of Promoters, Directors or their relatives etc. that may have potential conflict with the interests of the Company.

All the transactions with related parties were in the ordinary course of business and at arm's length basis, except transactions, which are disclosed in the Board's Report. In terms of Regulation 23 of Listing Regulations, the Company obtains prior approval of the Audit Committee for entering into any transaction with related parties. As per SEBI Circular dated November 09, 2021, the relevant policy has been revised in the Audit committee and approved by the Board of Directors at their respective meetings held on May 27, 2022. In line with SEBI Listing Regulations, the revised policy contains updated threshold limits for obtaining approval of Audit committee, Board of Directors and Members including that for material modifications as may be applicable from time to time.

Policy on dealing with Related Party Transactions can be viewed in the Company's website. Link for the same is: <https://www.hitachienergy.com/in/en/investor-relations/corporate-governance#policies>

- ii) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities, on any matter related to capital markets during the last three years.

The Company was incorporated on February 19, 2019. Listing approval was secured and the equity shares of the Company was listed on BSE Limited and National Stock Exchange of India Limited w.e.f. March 30, 2020. As applicable from the date of listing, neither any penalty nor any stricture has been passed by SEBI, Stock Exchanges or any other Statutory Authority on matters relating to capital markets.

- iii) Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee.

The Company has adopted Whistle Blower Policy where it has a mechanism for directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct/ Business Ethics, leak of Unpublished Price Sensitive Information (UPS) and related matters. No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any Integrity issue. The updated policy was approved by the Audit Committee and Board of Directors at their meeting held on February 09, 2022. The updated Whistle Blower Policy can be viewed in the Company's website at: <https://www.hitachienergy.com/in/en/about-us/integrity/reporting-channels/whistleblower-protection-policy>

- iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements under the Listing Regulations.

During the financial period 2021-22, the Company has fully complied with the mandatory requirements as stipulated in Listing Regulations.

The Company has adopted item E of the non mandatory requirements as provided in Part E of Schedule II to the Listing Regulations which are discretionary requirements.

### 13. Means of Communication

Quarterly Financial Results/Official News Releases

The quarterly/half-yearly/annual financial results are published in Financial Express (English Daily) and Vijaya Karnataka (Kannada Daily).

The financial results and the official news releases are also placed on the Company's website at: <https://www.hitachienergy.com/in/en>

The Company has a dedicated e-mail ID: [investors@hitachienergy.com](mailto:investors@hitachienergy.com) in the Secretarial Department for providing necessary information/assistance to the investors.

In addition to the above, after announcement of results, the Company holds conference call with investors/analysts. The transcript of the said conference call if any, is uploaded on the Company's website at: <https://www.hitachienergy.com/in/en>

### 14. General Shareholder Information

i) Annual General Meeting Day, Date, Time and Venue:

Day: Friday

Date: July 22, 2022

Time: 11:00 am

Venue: Video Conferencing ("VC") or Other Audio Visual Means ("OAVM") including remote e-voting process

Agenda proposed for 3<sup>rd</sup> Annual General Meeting:

Item No. 1 – Adoption of Financial Statements and Reports of the Board of Directors and the Auditors thereon.

To receive, consider and adopt the financial statements, namely,

(i) the Audited Balance Sheet as at March 31, 2022,

(ii) the Audited Statement of Profit & Loss Account for the financial period ended March 31, 2022,

(iii) the Cash Flow Statement for the financial period ended March 31, 2022,

(iv) statement of changes in Equity, if any,

(v) an Explanatory Note annexed to, or forming part of, the documents referred to in (i) to (iv) above and the Reports of Board of Directors and the Auditors thereon.

Item No. 2 – Declaration of dividend

Item No. 3 – Appointment of a Director

Item No. 4 – Approval of remuneration to the Cost Auditor of the Company for Financial year 2022-23

Item No. 5 – Re-appointment of Mr. Mukesh Hari Butani (DIN: 01452839) as an Independent Director of the Company

Item No. 6 – Re-appointment of Ms. Akila Krishnakumar (DIN: 06629992) as an Independent Director of the Company

Item No. 7 – Re-appointment of Ms. Nishi Vasudeva (DIN: 03016991) as an Independent Director of the Company

Item No. 8 – Re-appointment of Mr. Nuguri Venu (DIN: 07032076) as Managing Director and CEO of the Company

Item No. 9 – Commission to Independent Directors of the Company

Item No. 10 – Appointment of Branch Auditors of the Company

ii) Profile of Director seeking re-appointment:

The profile of Directors seeking re-appointment at the 3<sup>rd</sup> Annual General Meeting is given in the annexure to the Notice convening the third Annual General Meeting. The Director is not related to any other Director on the Board of the Company. Mr. Achim Michael Braun is a nominee of promoters viz., Hitachi Energy Ltd (formerly known as Hitachi ABB Power Grids Ltd). Mr. Achim Michael Braun is currently Head of HR for Power Grids group globally.

iii) Financial period:

Company's financial period was earlier January - December. In order to enable alignment with the financial period of Current Promoter company Hitachi Energy Ltd. (formerly known as Hitachi ABB power Grids Ltd.) subsequent to the transfer of shares held by promoters-ABB Asea Brown Boveri Ltd. to ABB Ltd. and from ABB Ltd. to Hitachi Energy Ltd. (formerly known as Hitachi ABB Power Grids Ltd.), the Board of Directors of the Company at their meeting held on February 26, 2021 approved the change of financial period from existing January-December to April-March and that the last financial period was from January 01, 2021-March 31, 2022 (15 months) and subsequently, all the financial years of the Company will be from April-March (12 months).

Further, during the period under review, based on the direction received from Regional Director, South East Region, the Company filed an application with the Regional Director seeking approval for change of financial year and accordingly, the Company has received such approval from the Regional Director, South East Region for change of financial year as aforementioned.

The Indicative calendar of events for the financial year 2022-23 (April 01, 2022 to March 31, 2023) is as follows:

Fifth Quarter Financial Results (Period 2021-22)	May 27, 2022
Convening of 3 <sup>rd</sup> AGM	July 22, 2022
First Quarter financial results	July 2022
Second Quarter financial results	November 2022
Third Quarter financial results	February 2023
Fourth quarter financial results	May 2023

In terms of the circular issued by Ministry of Corporate Affairs, as a Green Initiative and pursuant to Section 101 and Section 136 of the Act, read with relevant Companies (Management and Administration Rules), 2014, and Regulation 36 of SEBI (Listing Obligation Disclosures Requirement) Regulation, 2015 ("SEBI Listing Regulations"), soft copy of the Notice and the Board's Report for the financial period 2021-22 would be circulated to the respective e-mail IDs registered and available in Company's records, wherever available. Members of the Company, who have registered their email-address, are entitled to receive such communication in physical form upon request only. For members whose e-mail ids are not available, physical copy will be sent by permitted mode.

iv) Date of Book Closure:

The Company's Register of Members and Share Transfer Books will remain closed for the purpose of Annual General Meeting from July 16, 2022 to July 22, 2022 (both days inclusive).

v) Dividend Payment Date:

The dividend, as recommended by the Board of Directors, if declared at the ensuing Annual General Meeting will be paid on and from July 27, 2022, to those Members whose names appear on the Company's Register of Members as on Friday, July 15, 2022

vi) Listing on Stock Exchanges:

The equity shares of the Company are currently listed with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid till date, appropriate listing fee to both the stock exchanges.

It may be noted that pursuant to Scheme of Arrangement (Demerger) entered into between ABB India Limited (Transferor) and Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) (Transferee), the Equity shares in demat form were automatically credited into Unclaimed shares account and Investors Education and Protection Fund (IEPF) Account and the voting rights thereon have been frozen till the shares are claimed by the rightful owners.

Details are given below:

Shares credited to IEPF account : 1,07,421 Equity shares were allotted on December 24, 2019.

Out of 1,07,421 Equity shares, the claim for 85 Equity shares was approved by the IEPF Authority vide their email communication dated March 08, 2022.

Shares credited to Unclaimed Suspense account on December 24, 2019:

Aggregate number of Members and the outstanding shares in the suspense account lying at the beginning of the year.	799 Equity shares-6 Members
Number of Members who approached issuer for transfer of shares from suspense account during the year.	NIL
Number of Members to whom shares were transferred from suspense account during the year.	NIL
Aggregate number of Members and the outstanding shares in the suspense account lying at the end of the year.	799 Equity shares-6 Members



## vii) Stock Code for Equity Shares:

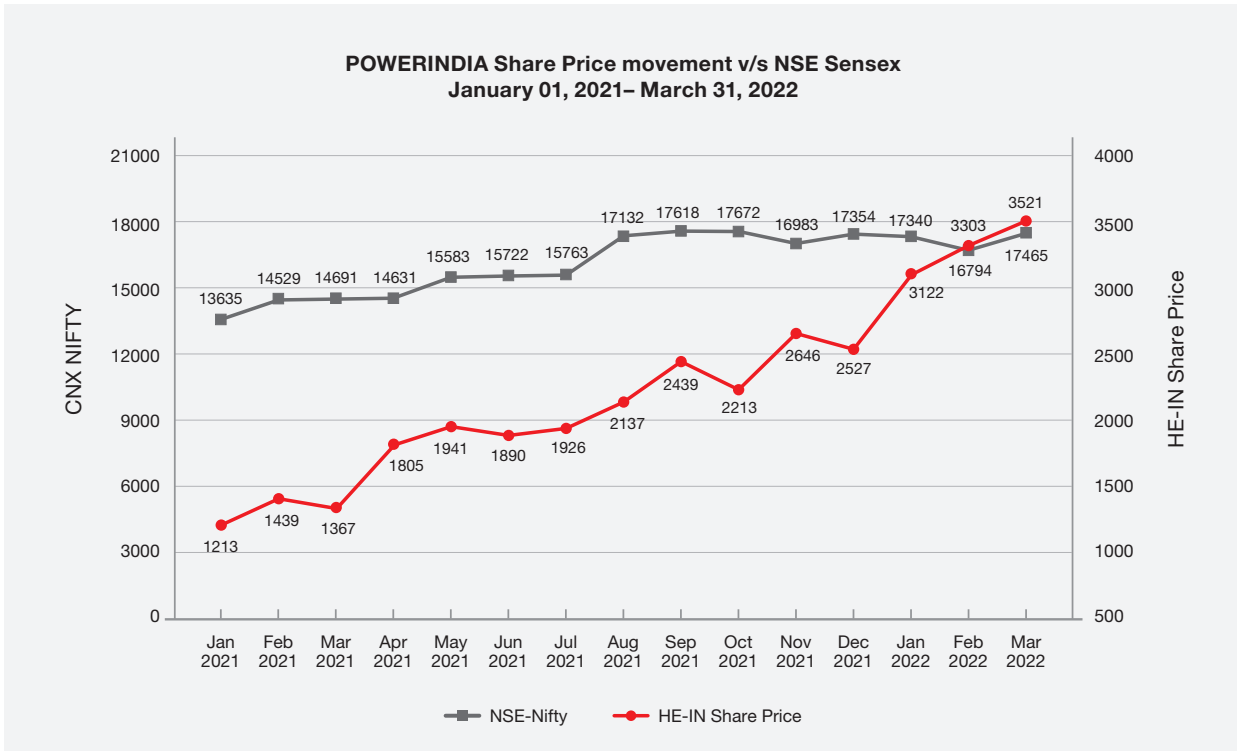
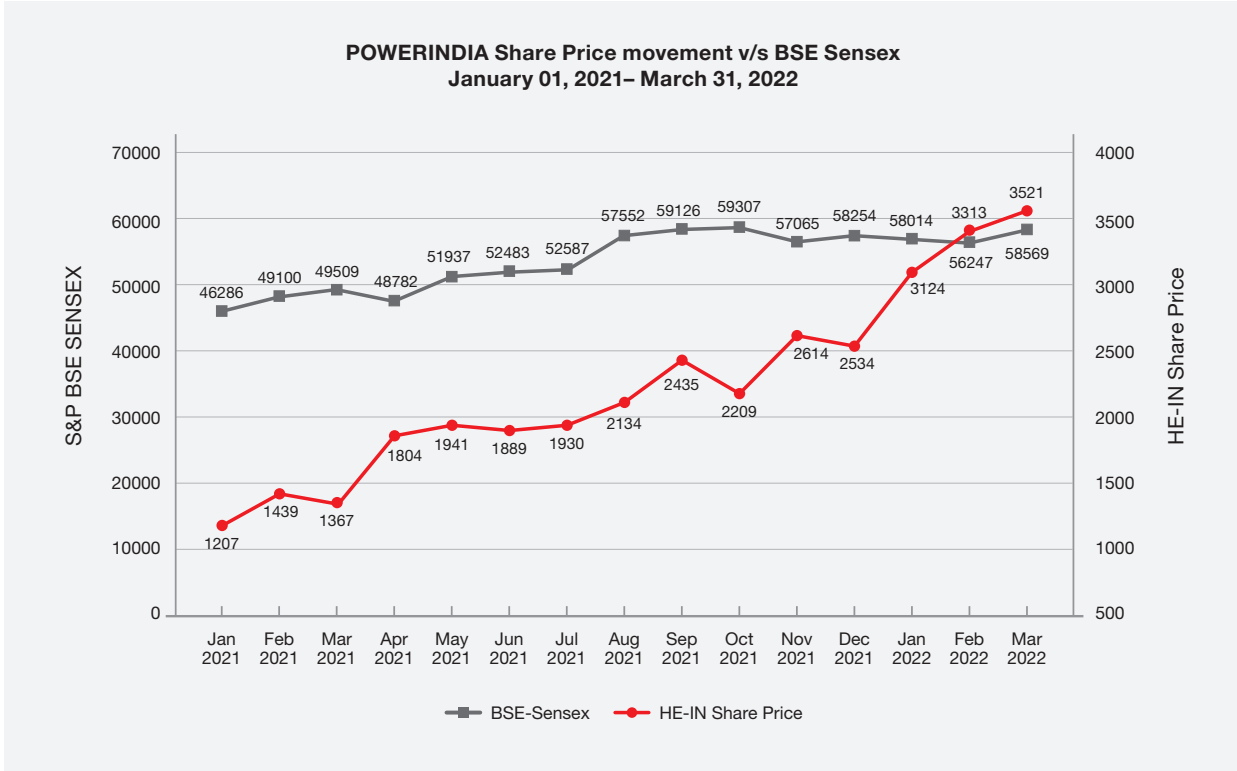
NSE POWERINDIA  
 BSE 543187  
 ISIN INE07Y701011

## viii) Market Price Data:

The market price data and volume of the Company's shares traded in the BSE Limited and the National Stock Exchange of India Limited, during the financial period 2021-22 were as follows:

Month	BSE - (INR)		BSE SENSEX		NSE - (INR)		NSE NIFTY	
	High	Low	High	Low	High	Low	High	Low
Jan-21	1,360	1,199	50,184	46,160	1,365	1,200	14,754	13,597
Feb-21	1,656	1,203	52,517	46,434	1,659	1,200	15,432	13,662
Mar-21	1,483	1,269	51,822	48,236	1,480	1,265	15,336	14,264
Apr-21	1,860	1,347	50,376	47,205	1,860	1,353	15,044	14,151
May-21	2,202	1,672	52,013	48,028	1,960	1,676	15,606	14,416
Jun-21	2,000	1,751	53,127	51,451	1,955	1,756	15,916	15,451
Jul-21	2,080	1,837	53,291	51,803	2,000	1,833	15,962	15,513
Aug-21	2,275	1,556	57,625	52,804	2,277	1,741	17,154	15,835
Sep-21	2,574	2,091	60,412	57,264	2,575	2,086	17,948	17,055
Oct-21	2,798	2,188	62,245	58,551	2,798	2,190	18,604	17,453
Nov-21	2,754	2,164	61,037	56,383	2,756	2,160	18,210	16,782
Dec-21	2,852	2,372	59,203	55,133	2,855	2,380	17,640	16,410
Jan-22	3,336	2,429	61,475	56,410	3,340	2,430	18,351	16837
Feb-22	3,430	2,700	59,619	54,383	3,430	2,699	17,795	16,203
Mar-22	4,040	3,253	58,891	52,261	4,043	3,250	17,560	15,671

Performance in comparison to broad-based indices viz., BSE Sensex and NSE Nifty:



ix) Registrar and Share Transfer Agents:

KFin Technologies Limited Unit:  
 Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited)  
 Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Gachibowli, Serilingampally Mandal,  
 Hyderabad - 500 032, Telangana  
 Phone No. 1-800-309-4001  
 e-mail: einward.ris@kfintech.com  
 Website: www.kfintech.com

x) Share Transfer System:

To enhance ease of dealing in securities markets by investors, SEBI has decided that listed companies shall henceforth issue the securities in dematerialized form only (vide Gazette Notification no. SEBI/LADNRO/GN/2022/66 dated January 24, 2022) while processing the service request mentioned in the above notification (viz., Issue of duplicate securities certificate, Claim from Unclaimed Suspense Account, Transmission, Transposition etc). The transmission or transposition of shares are being processed by the Registrar and Share Transfer Agents, and approved by the Stakeholders' Relationship Committee. In order to expedite the process, the Board of Directors has also delegated the authority jointly to any two of the Managing Director (MD): and CEO, CFO and the Company Secretary to approve share transmission, transposition, deletion of name, etc., of shares and accordingly, the same is being approved as per the request received and the report is placed for noting before the Stakeholders' Relationship Committee and Board of Directors on quarterly basis.

Further, SEBI vide its circular dated November 03, 2021 has introduced common and simplified norms for processing any service request received from the Member related to furnishing PAN, KYC details and Nomination by the Registrar and Share Transfer Agents ("RTA") :

1. Electronic interface for processing investor's queries, complaints and service request
2. Mandatory furnishing of PAN, KYC details and Nomination by holders of physical securities
3. Freezing of folios without valid PAN, KYC details and Nomination
4. Compulsory linking of PAN and Aadhaar by all holders of physical securities

SEBI vide its Circular dated January 25, 2022, has made it mandatory for compulsory credit of shares in demat form in case of request processed for issue of duplicate shares, claim from Unclaimed suspense account, renewal/exchange of securities certificate, endorsement, Sub - division / Splitting of securities certificate, Consolidation of securities certificates/folios, share transfer, share transmission, share transposition, issue of duplicate shares.

Hence, the Members holding shares in physical form are requested to consider converting their holdings in the dematerialized form. The Members who are desirous to convert their physical holdings into dematerialized form, may contact the Depository Participant of their choice. The request for share transfer, transmission, transposition of shares, deletion of name are being processed by the Registrar and Share Transfer Agents, and approved by the Stakeholders' Relationship Committee.

The following compliances pertains to share transfers, grievances, etc.:

- Pursuant to Regulation 7(3) of the SEBI Listing Regulations, certificates are filed with the stock exchanges on yearly basis by the Company Secretary & Compliance Officer of the Company and the representative of the Registrar and Share Transfer Agent for maintenance of an appropriate share transfer facility. For the previous financial period 2020, Company has filed this certificate on half yearly basis and the provision was amended w.e.f. May 05, 2021 and the half yearly compliance was changed to yearly compliance. For the Financial period ended March 31, 2022, the Company has filed this certificate within prescribed time limit;
- Pursuant to Regulation 13 of the SEBI Listing Regulations, a statement on pending investor complaints is filed with the stock exchanges and placed before the Board of Directors on a quarterly basis;
- Pursuant to Regulation 39(3) of the SEBI Listing Regulations, information regarding loss of share certificates and issue of the duplicate certificates, are submitted to the stock exchanges within 2 days of the Company receiving the information. As of now Company has not received any intimation from RTA regarding loss of share certificates for submission to stock exchanges;
- Pursuant to Regulation 40(9) of the SEBI Listing Regulations, the Company obtained yearly certificate from a Practicing Company Secretary certifying that, the RTA has issued all share certificates within 30 days of the date of lodgment for transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/ allotment monies and this certificate is simultaneously filed with the Indian Stock Exchanges pursuant to Regulation 40(10) of the SEBI Listing Regulations. For the previous financial period FY 2020, Company has filed this certificate on half yearly basis and the provision was amended w.e.f. May 05, 2021 and the half yearly compliance was changed to yearly compliance. For the Financial period ended March 31, 2022, the Company has filed this certificate within prescribed time limit;

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Further w.e.f. January 01, 2022, the securities can be credited only in demat form after completion of process of request for deletion of name, share transfer, transmission, transposition of shares.

Your Company's shares are compulsorily traded in dematerialised form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

xi) Shareholding Pattern:

Shareholders		As on March 31, 2022		As on December 31, 2020	
SI No.	Description	Total Shares	% Equity	Total Shares	% Equity
1	Mutual Funds	6,30,647	1.50	7,19,834	1.70
2	Foreign Portfolio – Corp	19,96,919	4.72	20,20,913	4.78
3	Foreign Institutional Investors	NIL	0.00	NIL	0.00
4	Trusts	3,993	0.01	5,829	0.01
5	Alternative Investment Fund	3,02,370	0.71	6,30,500	1.50
6	Resident Individuals	46,67,496	11.01	41,68,153	9.83
7	Non Resident Indians	67,828	0.16	61,571	0.15
8	Clearing Members	10,525	0.02	16,135	0.04
9	Indian Financial Institutions	369	0.00	369	0.00
10	Banks	1,653	0.00	1,653	0.00
11	Qualified Institutional Buyer	19,63,428	4.63	21,79,226	5.14
12	Foreign Promoter Bodies Corporate - Promoter and Promoter group	3,17,86,256	75.00	3,17,86,435	75.00
13	Foreign Bank	NIL	0.00	NIL	0.00
14	Non-Resident Indian Non-Repatriable	1,09,552	0.26	86,245	0.20
15	Bodies Corporates	4,78,243	1.13	4,03,056	0.95
16	NBFC	10,007	0.02	10,237	0.02
17	Directors and their relatives	NIL	0.00	NIL	0.00
18	I E P F	1,07,421	0.25	1,07,421	0.25
19	H U F	2,44,225	0.58	1,83,309	0.43
20	Foreign Nationals	743	0.00	141	0.00
21	Foreign Portfolio Investors	NIL	0.00	648	0.00
<b>Total:</b>		<b>4,23,81,675</b>	<b>100.00</b>	<b>4,23,81,675</b>	<b>100.00</b>

xii) Distribution of Shareholding as on March 31, 2022:

Category	No. of Shareholders	No. of Shares held	% of equity capital
1 – 5,000	71,458	43,40,014	10.24
5,001 – 10,000	56	4,11,716	0.97
10,001 – 50,000	40	8,79,207	2.07
50,001 – 100,000	7	4,48,970	1.06
100,001 and above	12	3,63,01,768	85.65
<b>Total</b>	<b>71,573</b>	<b>4,23,81,675</b>	<b>100.00</b>

xiii) Dematerialisation of shares and liquidity:

The equity shares of the Company are available under dematerialised form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Company's equity shares are compulsorily traded in the dematerialised form.

As on March 31, 2022, out of 4,23,81,675 equity shares of the Company, 4,20,99,015 equity shares have been dematerialised representing 99.33%. Your Company confirms that the promoters' holdings were converted into electronic form and the same is in line with the circulars issued by SEBI except for ABB Switzerland Ltd, Promoter group which acquired 179 Equity shares through open offer and out of 179 Equity shares, 1 Equity share was acquired in physical form and during financial period 2021-22 was converted into demat form and all 179 Equity shares were sold in open market during quarter ended June 30, 2021. Members who are still holding shares in

physical form are requested to dematerialize their shares at the earliest, this will be more advantageous to deal in securities. For queries/clarification/assistance, Members are advised to approach the Company's Registrar and Share Transfer Agents.

- xiv) Your outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity.

The Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the Company.

- xv) Code of Conduct.

As required under Listing Regulations, the Company has in place a Code of Conduct applicable to the Board Members as well as the Senior Management Personnel and that the same has been hosted on the Company's website. Consequent to change in name of the Company, the revised Code of conduct was approved by NRC Committee in the meeting held on May 26, 2022 and by Board of Directors at their meeting held on May 27, 2022. All the Board Members and the Senior Management Personnel have affirmed compliance with the Code of Conduct, as on March 31, 2022. A certificate to that effect is annexed as Annexure 2.

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has, inter-alia, adopted a Code of Conduct for Prohibition of Insider Trading Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (Code) duly approved by the Board of Directors of the Company w.e.f. February 28, 2020 and which was revised on February 08, 2021 and then on May 05, 2021. Consequent to the change in the name of the Company, the policy was again revised on February 09, 2022.

As per the above Code, Mr. Poovanna Ammatanda is the Compliance Officer and Mr Ajay Singh, Chief Financial Officer is the Chief Investor Relations Officer.

- xvi) Company affirms that all the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with.

- xvii) Plant Locations:

The plant locations of the Company are as detailed below:

Particulars of Plant Location	State
Plot No. 4A, 5 & 6, 2 <sup>nd</sup> Phase, Peenya Industrial Area, Peenya, Bengaluru- 560058	Karnataka
Sy No.30, Thammashettihalli Village, Kasaba Hobli, Doddaballapur Taluk, Bengaluru Rural -562163 Mysore-Ooty Road, Thandavapura, Mysore - 571302	
Sy No. 211, Halol-Champaner Road, Panchmahal P.O. Chandrapura, Halol-391520	Gujarat
Plot No. 25 & 26, Alindra Manjusar, Savli - Gidc, Vadodara- 391775	
Plot No. 42 & 43, Alindra Manjusar, Savli - Gidc, Vadodara- 391775 Maneja, Vadodara-390013	
Plot No. 3, Mahindra World City Industrial Park, Phase-V, 1 <sup>st</sup> Cross Road, 8 <sup>th</sup> Avenue, Etchankaranai Village, Chengalpattu Taluk, Kanchipuram- 603004	Tamil Nadu

- xviii) Commodity Price Risk / Foreign Exchange Risk and Hedging activities:

The Company is exposed to foreign exchange risk on account of import and export transactions entered and it is exposed to commodity price risk on account of procurement of base metals (Copper and Aluminium) to be used in manufacturing activities. Details of commodities exposure are provided below:

- a) Total Exposure of the Company to commodities is INR 4,01,71,64,511/-.
- b) Exposure of the Company to various commodities:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Copper	3,89,76,46,697	5465 MT	-	-	27%	-	27%
Aluminum	11,95,17,814	643 MT	-	-	70%	-	70%



- c) Commodity risks faced by the Company during the financial year and how they have been managed.

The Company is a sizable user of various commodities which exposes it to the price risk on account of procurement of commodities. The Company is proactively mitigating these risks by entering into commensurate hedging transactions with banks as per applicable guidelines and group risk management instructions.

- xix) Address for correspondence:

Hitachi Energy India Limited  
(formerly known as ABB Power Products and Systems India Limited)  
8<sup>th</sup> Floor, Brigade Opus, 70/401, Kodigehalli Main Road, Bengaluru - 560 092.  
Phone No: 080 68473700, 080 22041800

Corporate Secretarial e-mail ID: investors@hitachienergy.com  
Corporate Website: <https://www.hitachienergy.com/in/en>

- xx) The Corporate Identity Number (CIN) of the Company is L31904KA2019PLC121597.

- xxi) Compliance Officer:

Mr. Poovanna Ammatanda, Company Secretary is the Compliance Officer of the Company and Secretary to all the Committees of the Board.

- xxii) Debenture Trustees-Not Applicable.

- xxiii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)-Not applicable.

- xxiv) Where the board had not accepted any recommendation of any committee of the board which is mandatorily required in the relevant financial period, the same to be disclosed along with reasons thereof - Not applicable.

- xxv) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part: During the financial period under review, the company did not have any subsidiary. Based on the recommendation of Audit committee and Board of Directors, Shareholders had approved appointment of M/s. S.R. Batliboi & Associates LLP, Chartered Accountants (Registration No. 101049W/E300004) as the Statutory Auditors of the Company commencing from the conclusion of 1<sup>st</sup> Annual General Meeting to hold such office for a period of 5 years till the conclusion of 6<sup>th</sup> Annual General Meeting at a remuneration of INR 1,25,00,000/- (Rupees One Crore and Twenty Five Lakhs only) for the financial period 2021-22 (January 01, 2021 to March 31, 2022) plus applicable taxes in connection with the statutory audit of the Company and related services.

The details of the payment to be made for financial period 2021-22 is as follows:

	Amount in INR (in Lakhs)
Statutory audit fees (inclusive of out-of-pocket expenses)	48.00
Tax audit fees	27.00
Limited review fees	36.00
Group audit fees	14.00
Certification fees	14.50
Factory visit expenses (Travel, food, and lodging)	2.48
<b>Total</b>	<b>141.98</b>
Group audit fee/one time certification fee	0.14

- xxvi) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during the financial period : NIL
- b. number of complaints disposed of during the financial period : NIL
- c. number of complaints pending as on end of the financial period : NIL

xxvii) The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report. The Board hereby confirms that it has complied with all the corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) 2015.

xxviii) Disclosures with respect to demat suspense account / unclaimed suspense account:

Pursuant to Scheme of Arrangement, 799 Equity shares of INR 2/- each of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) was credited into the demat account of Unclaimed suspense account on December 24, 2019. There was no change in the shareholding of Unclaimed suspense account during financial period 2021-22.

It may be noted that pursuant to Scheme of Arrangement (Demerger), the Equity shares in demat form were automatically credited into Unclaimed shares account and Investors Education and Protection Fund Account and the voting rights thereon have been frozen till the shares are claimed by the rightful owners.

Details are given below:

Shares credited to IEPF account: 1,07,421 Equity shares which were allotted on December 24, 2019

Share credited to Suspense account:

Aggregate number of Members and the outstanding shares in the suspense account lying at the beginning of the year	799 Equity shares-6 Members
Number of Members who approached issuer for transfer of shares from suspense account during the year	NIL
Number of Members to whom shares were transferred from suspense account during the year.	NIL
Aggregate number of Members and the outstanding shares in the suspense account lying at the end of the year.	799 Equity shares-6 Members

xxix) Disclosure by listed entity and its subsidiaries of 'Loans and advances' in the nature of loans to firms/companies in which directors are interested by name and amount:

The Company does not have any subsidiary. There are no Companies in which Directors are interested and to which Company or group company has granted loan.

xxx) Reconciliation of Share Capital Audit Report:

A Company Secretary-in-Practice carries out a Reconciliation of Share Capital Audit on a quarterly basis, as per Regulation 76 of the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 read with SEBI Circular No. D&CC / FITTC/Cir- 16/2002 dated 31 December, 2002, to reconcile the total admitted capital with depositories viz National Securities Depository Limited ('NSDL') and Central Depository Services Limited ('CDSL') and the total issued and listed capital. The audit confirms that the total issued/paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

## 15. Discretionary Requirements

- The quarterly financial results are published in the newspapers of wide circulation and not sent to individual Members.
- Further the financial results are available on the website of the Company and of Stock Exchanges where the shares of the Company are listed i.e., BSE Limited and National Stock Exchange of India Limited.
- The Auditors' opinion on the Financial Statements is unmodified.
- Internal Auditor has been appointed and reports directly to the Audit Committee

## 16. Other requirements as stipulated in SEBI (Listing Obligations and Disclosure Requirements) 2015 and for Corporate Governance report:

i) Confirmation from Board regarding Independent Directors criteria;

The Board of Directors confirm that in their opinion, the Independent Directors fulfill the conditions specified under Companies Act 2013 and of SEBI (Listing Obligations and Disclosure Requirements) 2015 and are independent of the management.

## ii) Credit ratings;

The Company does not have any debt instrument, fixed deposit programme or any scheme or proposal for mobilization of funds. However, for short term borrowings, the Company obtained credit rating. The details are as follows:

As on January 4, 2021, CRISIL Ratings has assigned its 'CRISIL AAA/Stable/CRISIL A1+' ratings to the bank facilities of the Company as follows

Total Bank Loan Facilities Rated	INR 5,000 Crore
Long Term Rating	CRISIL AAA / Stable (Assigned)
Short Term Rating	CRISIL A1+ (Assigned)

## iii) Certificate from a company secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of company by the Board / Ministry of Corporate Affairs or any such statutory authority:

Enclosed as Annexure 3

**17. Details of Other Committee meetings and Membership****Listing Committee for Listing of Company:**

As the Listing process was completed in March 2020, no more meetings were required to be convened.

**Committee of Independent Directors for Open offer:**

As the Open offer process was completed in September 2020, no more meetings were required to be convened.

**Committee of Independent Directors for annual evaluation:**

During the financial period, two meetings were held on February 26, 2021 and March 15, 2021.

Mr. Poovanna Ammatanda, General Counsel & Company Secretary acted as the Secretary to the Committee of Independent Directors for annual evaluation.

The composition of the Committee of Independent Directors and attendance was as follows:

Members of the Committee	No. of meetings attended
Mr. Mukesh Butani (Independent Director)	2
Ms. Akila Krishnakumar (Independent Director)	2
Ms. Nishi Vasudeva (Independent Director)	2

**Environment, Social and Governance (ESG) Committee:**

During the financial period 2021-22, ESG Committee was constituted w.e.f. October 22, 2021 by the Board of Directors in its meeting held on October 22, 2021.

The Company is dedicated towards reduction of carbon footprint and for its social and employees welfare and governance causes. Basis the guidance of SEBI on Environment, Social and Governance reporting, the Company constituted an Environment, Social and Governance committee in the Board meeting held on October 22, 2021. The charter and objectives of this Committee were adopted by the Committee and Board of Directors during the financial period under review. The work under ESG was commenced during financial period under review. The details of the performance and reporting under ESG is covered under Business Responsibility and Sustainability Report.

Charter and objectives of ESG Committee:

Drivers of ESG:

- Hitachi Energy's Sustainability 2030 strategy based on UN SDGs based on four pillars of: Planet, People, Peace, and Partnerships
- Investor Expectations
- Evolving Compliance and Stock Exchange Listing Requirements
- Contribution to an Integrated Strategic Approach-Increased revenues and innovation
- Cost savings and efficiencies
- Improved access to capital
- Improvements in staff morale
- Improved reputation and stakeholder relations
- Doing "the right thing"

Sustainability vs ESG: ESG factors for better business performance:

Hitachi Energy had placed sustainability at the heart of its purpose, focusing on: Advancing a sustainable energy future for all

Company ESG Purpose and Charter Purpose:

ESG Committee has been constituted with an objective to assist the Board of Directors of the Company in fulfilling its oversight responsibilities in relation to the Hitachi Energy's objectives, policies, and practices pertaining to:

- Environment: Interaction with the physical environment
- Social: Impact on society and communities
- Governance: How the company is governed

with Sustainability 2030 strategy based on four pillars of:

- Planet -Towards carbon neutral
- People -Diversity plus collaboration equals great innovation
- Peace -Peaceful inclusive and sustainable societies
- Partnerships -Foster multi stakeholder partnerships

- The Committee shall meet at least once during the financial period. Meetings of the ESG Committee shall be held either in person or by virtual audio / video conference mode.
- The Committee shall invite such other employees or engage third parties to attend the meetings and / or to monitor implementation of ESG objectives.
- The Committee shall make available to the Board the minutes of its meetings.

Roles & Responsibilities of ESG Committee:

ESG Committee shall undertake the following:

- 1) Monitor and implement ESG targets of the Company and reviewing its adequacy
- 2) To keep the board of directors informed about the nature and content of its discussions, recommendations, and actions to be taken.
- 3) To facilitate reporting of ESG related matters in Business Responsibility and Sustainability Report as may be statutorily required.
- 4) To perform such functions or duties as may be prescribed under the Companies Act, 2013, SEBI Listing Regulations and any other applicable laws from time to time and discharge such other functions as may be specifically delegated to the Committee by the Board from time to time.
- 5) The ESG Committee of Directors shall be vested with the following powers:
  - a. The Committee shall have authority to scrutinize programs and initiatives to ensure transparency and oversee implementation of programs/initiatives across the Company.
  - b. Obtain external legal or other independent professional advice, whenever necessary.

- 6) The ESG Committee shall
- a. oversee the effectiveness of sustainability programs and provide inputs related to matters of ESG and corporate responsibility
  - b. review and provide inputs on sustainability goals
  - c. advise on the Business Responsibility & Sustainability Report and any other issue-specific reports (if any) prior to reporting to the Board
  - d. consider and recommend to the Board positioning on relevant emerging sustainability issues.
  - e. review and approve the Sustainability roadmap
  - f. provide direction and oversight to the internal sustainability function

The Committee is chaired by Ms. Nishi Vasudeva – Independent Director. Mr. Poovanna Ammatanda, General Counsel, Company Secretary and Compliance Officer is the Secretary to the Committee. During the financial period under review, one meeting was held on January 12, 2022.

The composition of ESG Committee as at March 31, 2022 and attendance of members at the meeting held during the financial period 2021-22 was as follows:

<b>Members of the Committee</b>	<b>No. of meetings attended</b>
Ms. Nishi Vasudeva Chairperson (Independent Director)	1
Ms. Akila Krishnakumar (Independent Director)	1
Mr. Achim Michael Braun (Non-Executive Director and Non-Independent Director)	1
Mr. Nuguri Venu (Managing Director and Chief Executive Officer)	1

For and on behalf of Board of Directors

**For Hitachi Energy India Limited**  
(formerly known as ABB Power Products and Systems India Limited)

Place : Bengaluru  
Date : May 27, 2022

Achim Michael Braun  
Chairman  
DIN: 08596097



# MD/CFO Certificate

## Annexure 1

To,  
The Board of Directors,  
Hitachi Energy India Limited  
(formerly known as ABB Power Products and Systems India Limited)

We certify that;

- A. We have reviewed financial statements and the cash flow statement of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) for the financial period ended March 31, 2022 and that to the best of our knowledge and belief:
1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transaction entered into by the Company during the period are fraudulent, illegal or violate the code of conduct of the Company.
- C. We accept responsibility for establishing and maintaining internal controls over financial reporting and that we have evaluated the effectiveness of internal control systems of the Company over financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls over financial reporting, if any, of which we are aware and the steps we have taken, propose to take, to rectify these deficiencies. In our opinion, there are adequate internal controls over financial reporting;
- D. We have indicated to the Auditors and the Audit Committee that there are:
1. No significant changes in internal control over financial reporting during the period;
  2. No significant changes in the accounting policies; and
  3. No instances of fraud of which we have become aware and the involvement there in, if any, of the management or an employee having a significant role in the Company's internal control systems over financial reporting.
- E. We affirm that we have not denied any personnel access to the Audit Committee of the Company and we have provided protection to whistle blowers from unfair termination and other unfair or prejudicial employment practices.

We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the period covered by this report.

Bengaluru  
May 27, 2022

Nuguri Venu  
Managing Director and Chief Executive Officer  
DIN:07032076

Ajay Singh  
Chief Financial Officer

## Annexure 2

Declaration by the Managing Director and Chief Executive Officer under Listing Regulations regarding compliance with Business Conduct Guidelines (Code of Conduct).

In accordance with the Listing Regulations, I hereby confirm that all the Directors and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as applicable to them, for the financial period ended March 31, 2022.

**For Hitachi Energy India Limited**  
(formerly known as ABB Power Products and Systems India Limited)

Bengaluru  
May 27, 2022

Nuguri Venu  
Managing Director and Chief Executive Officer  
DIN: 07032076

## Annexure 3

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**HITACHI ENERGY INDIA LIMITED**  
8<sup>th</sup> Floor, Brigade Opus 70/401,  
Kodigehalli Main Road,  
Bengaluru - 560092

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **HITACHI ENERGY INDIA LIMITED** having CIN: L31904KA2019PLC121597 and having registered office at 8<sup>th</sup> Floor, Brigade Opus 70/401, Kodigehalli Main Road, Bengaluru - 560092 (hereinafter referred to as 'the Company'), produced before us 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 our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2022 (i.e., From January 01, 2021 to March 31, 2022) 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.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Mr. Mukesh Hari Butani	01452839	24/12/2019
2	Ms. Nishi Vasudeva	03016991	24/12/2019
3	Ms. Akila Krishnakumar	06629992	24/12/2019
4	Mr. Nuguri Venu	07032076	02/12/2019
5	Mr. Achim Michael Braun	08596097	25/02/2021
6	Mr. Ismo Antero Haka	08598862	25/02/2021

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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 **V. Sreedharan & Associates**

**(Pradeep B. Kulkarni)**  
Partner  
FCS 7260; CP No. 7835

Place : Bengaluru  
Date : May 27, 2022  
UDIN : F007260D000408716  
Peer Review Certificate No. 589/2019

# Annexure – H to Board's Report

## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To  
The Members of **HITACHI ENERGY INDIA LIMITED**,

Corporate Identity No : L31904KA2019PLC121597  
Nominal Capital : Rs. 10 Crores

We have examined all the relevant records of **HITACHI ENERGY INDIA LIMITED** for the purpose of certifying compliance of the conditions of the Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2022 (From 01.01.2021 to 31.03.2022). We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to the procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of the corporate governance.

This certificate 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.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Regulations. As regards Discretionary Requirements specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the company has complied with item E.

For **V. Sreedharan & Associates**  
Company Secretaries

**(Pradeep B. Kulkarni)**  
Partner  
F.C.S.7260; C.P.No.7835  
UDIN: F007260D000408531  
Peer Review Certificate No. 589/2019

Place : Bengaluru  
Date : May 27, 2022

# Annexure – I to Board's Report

## FORM MR-3

### SECRETARIAL AUDIT REPORT

### FOR THE FINANCIAL PERIOD ENDED 31<sup>ST</sup> MARCH 2022

[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,  
Hitachi Energy India Limited  
(Formerly known as ABB Power Products and Systems India Limited)  
CIN: L31904KA2019PLC121597  
8<sup>th</sup> Floor, Brigade Opus 70/401,  
Kodigehalli, Main Road, Bangalore -560092

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Hitachi Energy India Limited (Formerly known as ABB Power Products and Systems India 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 period ended on 31<sup>st</sup> March 2022 (January 01, 2021 to March 31, 2022), 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 period ended on 31<sup>st</sup> March 2022, according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the Rules made thereunder and the relevant provisions of The Companies Act, 1956;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- iv. 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 Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
- vi. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

The Company has identified the following laws as specifically applicable to the Company:

1. Factories Act, 1948 & the Central Rules or concerned State Rules, made thereunder
2. Boilers Act, 1923 & Rules made thereunder
3. Electricity Act, 2003
4. Indian Explosives Act, 1884
5. Gas Cylinder Rules, 1981 (under Indian Explosives Act)
6. Static and Mobile Pressure Vessels (Unfired) Rules, 1981 (under Indian Explosives Act)
7. Environment (Protection) Act, 1986
8. The Water (Prevention and Control of Pollution) Act, 1974 & Central Rules/ concerned State Rules.
9. The Air (Prevention and Control of Pollution) Act, 1981 & Central Rules/ concerned State Rules
10. Hazardous Wastes (Management and Handling) Rules, 1989
11. Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989

12. The Contract Labour (Regulation and Abolition) Act, 1970 & its Central Rules/ concerned State Rules
13. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 & EPF, FPF Schemes
14. The Employees' State Insurance Act, 1948 & its Central Rules/concerned State Rules
15. The Minimum Wages Act, 1948 & its Central Rules/concerned State Rules/ Notification of Minimum Wages applicable to various class of industries/ Trade
16. The Payment of Wages Act, 1936 & its Central Rules/concerned State Rules if any
17. The Payment of Bonus Act, 1965 & its Central Rules/concerned State Rules if any
18. The Payment of Gratuity Act & its Central Rules/concerned State Rules if any
19. The Maternity Benefit Act, 1961 & its Rules
20. The Equal Remuneration Act, 1976
21. The Industrial Employment (Standing Orders) Act, 1946 & its Rules
22. The Apprentices Act, 1961 & its Rules
23. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
24. The Workmen's Compensation Act, 1923
25. The Industrial Dispute Act, 1947
26. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
27. The Information Technology Act, 2000

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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. The changes in the compositions of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Except in case of meetings convened at a shorter notice, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance. Further, 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.

As per the minutes of the meetings, the decisions of the Board were taken unanimously.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines;

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that the Hon'ble National Company Law Tribunal (NCLT), Bengaluru Bench had approved the Scheme of Arrangement (Demerger) between ABB India Limited and ABB Power Products and Systems India Limited vide its order dated November 27, 2019, and as informed the Company has complied with all the directions of the order by Hon'ble NCLT Bangalore Bench from time to time.

We further report that during the year under review:-

- 3,17,86,256 equity shares aggregating 75% of the paid up capital of the Company was transferred from ABB Asea Brown Boveri Ltd to ABB Ltd by way of dividend in kind and subsequently from ABB Ltd to Hitachi Energy Ltd (Formerly known as Hitachi ABB Power Grids AG) as contribution in kind on 05<sup>th</sup> February 2021 and the Company has confirmed that it is in compliance with all applicable provisions of the SEBI Rules and Regulations and any other applicable provisions.
- The Company has changed the financial year from the existing 1<sup>st</sup> January - 31<sup>st</sup> December to 01<sup>st</sup> April - 31<sup>st</sup> March (i.e. the period under review was from 1<sup>st</sup> January 2021 to 31<sup>st</sup> March 2022 i.e. 15 Months and the next subsequent financial years of the Company shall be for the 12 months period commencing from 1<sup>st</sup> April to 31<sup>st</sup> March of the respective year(s) by passing



Board Resolution and informed the Registrar of Companies and Regional Director. In response to the aforementioned intimation, Regional Director has issued order no. Misc/Ch. In FY/Sec 2(41)/ RD(SER)/RoC(B)/2021/1525 dated 06<sup>th</sup> July 2021 stating that approval from Regional Director must be sought by filing the e-form RD-1 for reverting back to April – March financial year in accordance with Section 2(41) of the Companies Act 2013, and the Company has made application for the same.

The Regional Director has passed an order and a corrigendum regarding the Company's financial year, which will be from January - December to April - March, beginning with the last financial period. As a result, the period under review of the Company is from January 1, 2021 to March 31, 2022 (i.e. 15 months), and the subsequent financial years of the Company will be for the 12 month period from April 1 to March 31 of the following year/s.

- The Company's name has been changed from "ABB Power Products and Systems India Limited" To "Hitachi Energy India Limited" and the consequent alteration has been made to the Memorandum of Association and Articles of Association of the Company. The Company has confirmed that it is in compliance with all applicable SEBI Rules and Regulations, as well as any other applicable provisions. The fresh Certificate of Incorporation was issued by Registrar of Companies, Karnataka, Ministry of Corporate Affairs dated November 12, 2021.

There were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines etc., having a major bearing on the Company's affairs.

For **BMP & Co. LLP**,  
Company Secretaries

**Pramod S M**  
Partner  
FCS No: 7834  
CP No: 13784

Place : Bengaluru  
Date : 27-05-2022  
UDIN : F007834D000407222

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

#### 'Annexure A'

To,  
The Members,  
Hitachi Energy India Limited  
(Formerly known as ABB Power Products and Systems India Limited)  
CIN: L31904KA2019PLC121597  
8<sup>th</sup> Floor, Brigade Opus 70/401,  
Kodigehalli Main Road, Bangalore -560092

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial record 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 process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, Rules, Regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

7. We further report that, based on the information provided by the Company its officers, authorised representatives during the conduct of the audit and also on the review of quarterly compliance report by the respective departmental heads/ Company Secretary/Managing Director taken on record by the Board of the Company, in our opinion adequate systems and process and control mechanism exist in the Company to monitor compliance with applicable general laws like labour laws & Environment laws and Data protection policy.
8. We further report that the Compliance by the Company of applicable Financial laws like Direct & Indirect tax laws has not been reviewed in this audit since the same has been subject to review by the statutory financial audit and other designated professionals.

For **BMP & Co. LLP,**  
Company Secretaries

**Pramod S M**  
Partner  
FCS No: 7834  
CP No: 13784  
UDIN: F007834D000407222

Place : Bangalore  
Date : 27-05-2022

## SECRETARIAL COMPLIANCE REPORT OF HITACHI ENERGY INDIA LIMITED FOR THE FINANCIAL PERIOD ENDED 31<sup>ST</sup> MARCH 2022

[Pursuant to Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015]

To,  
The Board of Directors,  
Hitachi Energy India Limited  
(Formerly known as ABB Power Products and Systems India Limited)  
CIN: L31904KA2019PLC121597  
8<sup>th</sup> Floor, Brigade Opus 70/401,  
Kodigehalli, Main Road, Bangalore -560092

We, BMP & Co. LLP, Company Secretaries have examined:

- all the documents and records made available to us and explanation provided by Hitachi Energy India Limited ("the listed entity"),
- the filings/ submissions made by the listed entity to the stock exchanges,
- website of the listed entity,
- any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the period ended 31<sup>st</sup> March 2022 ("Review Period") in respect of compliance with the provisions of:

- the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
- the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018:- Not applicable as the Company didn't issue any securities during the financial period under review;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018:- Not applicable as the Company did not buyback any of its securities during the financial period under review.
- Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021:- Not applicable as the Company did not issue any Employee Stock Option Scheme to its employees;
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021:- Not applicable as Company has not issued Non-Convertible Securities during the financial period under review;
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993:- Not applicable, as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial period under review; and
- Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021:- Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial period under review; and based on the above examination, we hereby report that, during the review period:

- The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-

Sl. No.	Compliance Requirement (Regulations / circulars / guidelines including specific clause)	Deviations	Observations / Remarks of the Practicing Company Secretary
		Not Applicable	

- The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.
- The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sl. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations / remarks of the Practicing Company Secretary, if any.
Not Applicable				

(d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sl. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31 <sup>st</sup> December, 2020	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
1.	NA	The Company was required to complete the formalities for listing and trading of securities with BSE Limited and National Stock Exchange of India Limited within 60 days of receipt of the order of the Hon'ble NCLT. There was a delay thereby leading to non-compliance with SEBI circular dated March 10, 2017.	The Company has received listing and trading approval from BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") on March 25, 2020.	The delay was inadvertent, and the company had made best efforts towards meeting timelines. The company has assured to meet the prescribed timelines in future and remain in compliance with all applicable provisions of the SEBI Rules and Regulations.

(e) The terms of appointment the Statutory Auditor are in line with 6(A) and 6(B) of SEBI Circular No. CIR/CFD/CMD1/1 14/2019 dated October 18, 2019.

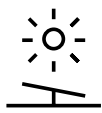
For **BMP & Co. LLP,**  
Company Secretaries

**Pramod S M**  
Partner  
FCS No: 7834  
CP No: 13784  
UDIN: F007834D000407266

Place : Bangalore  
Date : 27-05-2022



# Long term growth drivers - high growth segments



## Renewables

Solar is the world's fastest-growing energy source and is certain to play an outsized role in the carbon-neutral future. Hitachi Energy has industry-leading expertise and an expansive portfolio of technologies, solutions, software and services designed to support every stage of solar project development.

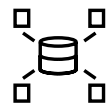


## HVDC

HVDC (high-voltage direct current) is a key enabler for a carbon-neutral energy system. It is highly efficient for transmitting large amounts of electricity over long distances, integration of renewables and interconnecting grids, opening up for new sustainable transmission solutions.







### **Datacenters**

Today's data centers typically consume more than 30 times the power per square meter used by an average office building.

At Hitachi Energy, our goal is to provide smart, safe and sustainable power solutions for data centers.



### **Emobility**

As societies aim for more sustainable modes of transport, e-mobility moves from small pilots to large-scale deployment across entire fleets. The Grid-eMotion™ Fleet offering is your charging solution of choice if you aim to electrify a large fleet and need a reliable, grid-code compliant and space-saving solution that can be installed in your existing depots and scaled flexibly as your fleets get greener.



# Independent Auditor’s Report

**To the Members of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited)**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) (“the Company”), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the period January 01, 2021 to March 31, 2022 (“fifteen month period”) and notes to the financial statements, including a summary of significant 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, as amended (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the fifteen month period ended on that date.

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the fifteen month period ended March 31, 2022. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue recognition for long term projects and contract estimates</b> (as described in Note 38 of the financial statements)</p> <p>A significant portion of the Company’s business comprises of long-term fixed price projects. Revenue from these contracts is recognized in accordance with the principles laid down in Ind AS 115, Revenue from Contracts with Customers and as detailed in “significant accounting policies” of the financial statements.</p> <p>In accordance with Ind AS 115, the Company classifies its various contracts with customers and determines whether revenue should be recognized at “point in time” or “over the time” basis.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• We assessed the revenue recognition accounting policies by comparing with applicable accounting standards.</li> <li>• We tested key controls (both design and operating effectiveness) with respect to revenue recognition and related cost estimations.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue recognition for long term projects and contract estimates</b> (as described in Note 38 of the financial statements)</p> <p>There are various areas involving complexities, judgements and estimates involved in accounting for revenue recognized on “over the time” basis, including:</p> <ul style="list-style-type: none"> <li>• Estimation of total contract costs at inception and remaining costs to completion, which is a critical factor in measuring progress of a contract and amounts of revenue to be recognized; and</li> <li>• Assessment of various risks emanating from operational delays, contract terms, changes in estimations and scope, accounting for onerous obligations, technical, legal, external environment etc. This requires the Company to estimate various costs to capture such risks, including liquidated damages and warranties.</li> </ul> <p>In view of the above and because the Company and its external stakeholders focus on revenue as a key performance indicator, we determined this area to be an area involving significant risk, an area of audit focus, and accordingly a key audit matter.</p>	<ul style="list-style-type: none"> <li>• We carried out analytical procedures on revenue recognized during the fifteen month period to identify unusual variances.</li> <li>• We performed substantive testing by selecting samples of revenue transactions, recorded during the fifteen month period by testing the underlying documents using statistical sampling.</li> <li>• We evaluated management’s estimates (contract costs and risk provisions) by performing analytical procedures on such estimates.</li> <li>• We performed a retrospective review for contracts completed during the current period by comparing the final outcome of the contracts with previous estimates made for those contracts to assess the reliability of the management’s estimation process.</li> <li>• We performed tests for completeness and appropriateness of actual cost booked in the correct period, by testing the underlying documents for samples selected using statistical sampling.</li> <li>• We assessed the disclosures made in the financial statements.</li> </ul>
<p><b>Trade receivables, unbilled revenue and contract assets</b> (as described in Note 38 of the Ind AS financial statements)</p> <p>Trade receivables, including retention money with customers, unbilled revenue and contract assets forms a significant part of the financial statements. Customer contracts typically involve time consuming and complex conditions around closure of contracts, including technical acceptances. This generally leads to longer and significant time for realization of receivables. As a result of the above, management’s assessment of recoverability of trade receivables, unbilled revenue and contract assets, involves critical evaluation of all factors impacting recoverability, including impact of external environment, capability of customers to pay, historical payment records, evaluation of litigations, etc. including the possible effect from the pandemic relating to COVID-19.</p> <p>Management makes an impairment allowance for trade receivables, unbilled revenue and contract assets on the basis of its assessment of recoverability of specific customers and on the basis of expected credit loss model for the remaining customers in accordance with Ind AS 109, Financial Instruments. For the purposes of impairment assessment, significant judgements and assumptions are made, including assessing credit risk, timing and amount of realization, etc.</p> <p>In view of above, we determined this area to be an area of audit focus, and accordingly a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>• We obtained an understanding of the processes implemented by management over the recognition and the recoverability of the trade receivables, unbilled revenue and contract assets.</li> <li>• We tested key controls (both design and operating effectiveness) over the recognition and the recoverability of the trade receivables, unbilled revenue and contract assets.</li> <li>• We obtained and tested the ageing of aforesaid receivables / assets on a sample basis.</li> <li>• We performed test of details and tested relevant contracts and documents for material trade receivable balances, unbilled revenue and amounts included in contract assets.</li> <li>• We evaluated the model adopted by management to estimate the expected credit loss including the possible effect from the pandemic relating to COVID-19. We enquired the management in respect of the various judgements and estimates made relating to impairment provision against trade receivable, unbilled revenue and contract assets.</li> <li>• We obtained and discussed management assessment of impairment for specific customer balances and understood reasons for the determination.</li> <li>• We have circulated direct confirmations on a sample basis using statistical sampling. In case of non- receipt of such confirmations, alternate test procedures such as testing subsequent receipts and underlying documents have been performed.</li> <li>• We assessed the disclosures made in the financial statements.</li> </ul>



### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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 such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as applicable under the applicable laws and regulations.

### Responsibilities of Management for the Financial Statements

The Company's Board of Directors is 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 financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 for the fifteen month period ended March 31, 2022 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under

Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the fifteen month period ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35 to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 18 and 22 to the financial statements;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per **Sandeep Karnani**

Partner

Membership Number: 061207

UDIN: 22061207AJVTM2407

Place of Signature: Bengaluru

Date: May 27, 2022



# Annexure 1 to the Independent Auditor's Report

**Annexure 1 referred to in clause 1 of paragraph on the report on other legal and regulatory requirements of our report of even date**

**Re: Hitachi Energy India Limited (formerly known as "ABB Power Products and Systems India Limited" (the Company'))**

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b) Property, plant and equipment have been physically verified by the management during the period and no material discrepancies were identified on such verification.
- c) According to the information and explanations given to us by the management of the Company, the title deeds of the immovable properties acquired as per the scheme of arrangement approved by the National Company Law Tribunal vide its order dated November 27, 2019 included in property, plant and equipment and as tabulated below are not held in the name of the Company.
- | Particulars  | Number of cases | Gross Block (Rs. in crores) | Net Block (Rs. in crores) |
|--|-----------------|-----------------------------|---------------------------|
| Freehold/ Leases hold land and building attached to it | 6               | 206.98                      | 176.12                    |
- ii) The inventory has been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification. Inventories lying with third parties have been confirmed by them to the management as at March 31, 2022 and no material discrepancies were noticed in respect of such confirmations.
- iii) According to the information and explanations given to us by the management of the Company, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv) In our opinion and according to the information and explanations given to us by the management of the Company, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.
- v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the products manufactured by the Company and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same
- vii) a) Undisputed statutory dues including provident fund, employees' state insurance, duty of custom, goods and service tax, cess and other material statutory dues as applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in respect of tax deducted at source.
- b) According to the information and explanations given to us by the management of the Company and audit procedures performed by us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues as applicable to the Company were outstanding, at the period end, for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us by the management of the Company, there are no dues of income tax, sales-tax, service tax, goods and service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.
- viii) In our opinion and according to the information and explanations given to us by the management of the Company, the Company has not defaulted in repayment of loans or borrowing to banks. The Company did not

have any outstanding loans or borrowing dues in respect of a financial institution or to government or dues to debenture holders during the period.

- ix) According to the information and explanations given to us by the management of the Company, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans during the period and hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon. Also refer note 16(f) to the financial statements.
- x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the management of the Company, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the period.
- xi) According to the information and explanations given to us by the management of the Company, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii) According to the information and explanations given to us by the management of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details

have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

- xiv) According to the information and explanations given to us by the management of the Company and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the period under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and hence not commented upon.
- xv) According to the information and explanations given to us by the management of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act during the period and hence, reporting requirements under clause 3(xv) are not applicable to the Company.
- xvi) According to the information and explanations given to us by the management of the Company, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

ICAI firm registration number: 101049W/E300004

Per Sandeep Karnani

Partner

Membership number: 061207

UDIN : 22061207AJVTM2407

Place of Signature : Bengaluru

Date : May 27, 2022

# Annexure 2 to the Independent Auditor's Report

## **Annexure 2 to the independent auditor's report of even date on the financial statements of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited)**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Hitachi Energy India Limited (formerly known as ABB Power Products and Systems India Limited) ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was 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 these 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 these 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 these financial statements.

#### **Meaning of Internal Financial Controls With Reference to these 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 the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of 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 control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
ICAI Firm Registration Number: 101049W/E300004

per Sandeep Karnani  
Partner  
Membership Number: 061207  
UDIN: 22061207AJVTM2407

Place of Signature : Bengaluru  
Date : May 27, 2022

# Balance Sheet

All amount in Indian Rupees in crores, except as stated otherwise

Balance sheet as at March 31, 2022	Notes	March 31, 2022	December 31, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	547.21	574.54
Right-of-use assets	3	71.95	46.53
Capital work-in-progress	4	118.33	32.36
Goodwill	5	31.80	31.80
Other intangible assets	5	1.58	2.96
<b>Financial assets</b>			
Loans	6	15.81	10.29
Non-current tax assets (net)	7	15.06	14.35
Deferred tax assets (net)	8	34.83	21.85
Other non-current assets	9	6.04	5.08
		842.61	739.76
<b>Current assets</b>			
Inventories	10	707.25	495.08
<b>Financial assets</b>			
Trade receivables	11	1,343.81	1,573.90
Cash and cash equivalents	12	85.90	318.95
Bank balances other than cash and cash equivalent	13	0.04	-
Loans	6	7.35	5.97
Other financial assets	14	123.88	120.63
Other current assets	15	413.04	248.83
		2,681.27	2,763.36
<b>Total Assets</b>		<b>3,523.88</b>	<b>3,503.12</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	8.48	8.48
Other equity	17	1,123.91	924.04
		1,132.39	932.52
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Lease liabilities	36(b)	52.84	27.20
Other financial liabilities	18	3.17	0.87
		56.01	28.07
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	125.00	-
Lease liabilities	36(b)	12.16	11.87
<b>Trade payables</b>			
Total outstanding dues of micro enterprises and small enterprises	20	84.02	40.94
Total outstanding dues of creditors other than micro enterprises and small enterprises	20	1,534.98	1,537.04
Other financial liabilities	18	94.49	114.93
Other current liabilities	21	297.25	649.51
Provisions	22	174.30	170.67
Liabilities for current tax (net)		13.28	17.57
		2,335.48	2,542.53
<b>Total equity and liabilities</b>		<b>3,523.88</b>	<b>3,503.12</b>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
Firm registration number: 101049W/E300004  
per **Sandeep Karnani**  
Partner  
Membership no. 061207

For and on behalf of the Board of Directors of  
**Hitachi Energy India Limited**  
(Formerly known as **ABB Power Products and Systems India Limited**)  
Corporate identity number (CIN) : L31904KA2019PLC121597

**Achim Michael Braun**  
Chairman and Director  
DIN: 08596097

**Nuguri Venu**  
Managing Director and CEO  
DIN: 07032076

**Mukesh Hari Butani**  
Director  
DIN: 01452839

**Ajay Singh**  
Chief Financial Officer

**Poovanna C Ammatanda**  
General Counsel &  
Company Secretary  
(FCS4741)

Place : Bengaluru  
Date : May 27, 2022

Bengaluru  
May 27, 2022



# Statement of profit and loss

## for the period ended March 31, 2022

All amount in Indian Rupees in crores, except as stated otherwise

	Notes	For the 15 months period ended March 31, 2022	For the year ended December 31, 2020
<b>Income</b>			
Revenue from operations	23	4,883.96	3,420.44
Other income	24	66.94	18.50
<b>Total income</b>		<b>4,950.90</b>	<b>3,438.94</b>
<b>Expenses</b>			
Cost of raw materials, components consumed and project bought outs	25	2,780.09	1,726.62
Purchase of stock-in-trade		118.24	97.69
(Increase)/ decrease in inventories of finished goods, work-in-progress and stock-in-trade	26	(127.15)	(63.73)
Subcontracting charges		286.50	266.81
Employee benefits expense	27	486.75	369.41
Depreciation and amortisation expense	28	95.46	77.17
Finance costs	29	41.39	20.44
Other expenses	30	1,028.88	772.75
<b>Total expenses</b>		<b>4,710.16</b>	<b>3,267.16</b>
<b>Profit before exceptional items and tax</b>		<b>240.74</b>	<b>171.78</b>
Exceptional items	39	(35.85)	35.50
<b>Profit before tax</b>		<b>276.59</b>	<b>136.28</b>
Tax expense:			
Current tax	8	87.83	60.12
Deferred tax credit	8	(14.64)	(23.64)
<b>Total tax expense</b>		<b>73.19</b>	<b>36.48</b>
<b>Profit for the period/ year</b>		<b>203.40</b>	<b>99.80</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plan		6.61	(8.07)
Income tax effect	8	(1.66)	2.03
<b>Other comprehensive income for the period/ year, net of income tax</b>		<b>4.95</b>	<b>(6.04)</b>
<b>Total comprehensive income for the period/ year, net of income tax</b>		<b>208.35</b>	<b>93.76</b>
<b>Earnings per equity share of face value of ₹2 each</b>			
Basic and diluted (₹)	31	47.99	23.55

Summary of significant accounting policies 2  
The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of  
**Hitachi Energy India Limited**  
(Formerly known as **ABB Power Products and Systems India Limited**)  
Corporate identity number (CIN) : L31904KA2019PLC121597

**per Sandeep Karnani**  
Partner  
Membership no. 061207

**Achim Michael Braun**  
Chairman and Director  
DIN: 08596097

**Nuguri Venu**  
Managing Director and CEO  
DIN: 07032076

**Mukesh Hari Butani**  
Director  
DIN: 01452839

**Ajay Singh**  
Chief Financial Officer

**Poovanna C Ammatanda**  
General Counsel &  
Company Secretary  
(FCS4741)

Place : Bengaluru  
Date : May 27, 2022

Bengaluru  
May 27, 2022

# Statement of cash flows

## for the period ended March 31, 2022

All amount in Indian Rupees in crores, except as stated otherwise

	For the 15 months period ended March 31, 2022	For the year ended December 31, 2020
<b>A. Cash flows from operating activities</b>		
Profit before tax	276.59	136.28
<b>Adjustments to reconcile profit before tax to net cash flows from operating activities</b>		
Depreciation and amortisation expense	95.46	77.17
Liabilities/ provisions no longer required written back	(41.49)	-
Unrealised exchange (gains)/ loss (net)	(3.80)	8.69
Mark to market change in forward, commodity contracts and embedded derivative contracts	16.18	(10.70)
Loss on sale of fixed assets (net)	1.42	0.65
Provision for doubtful debts and advances/ bad debts/ advances written off	26.03	45.40
Interest income	(0.94)	(1.56)
Finance costs	41.39	20.44
Operating profit before working capital changes	410.84	276.37
<b>Movement in working capital</b>		
Increase/ (decrease) in trade payables	96.44	191.98
Increase/ (decrease) in other financial liabilities	(5.49)	(2.40)
Increase/ (decrease) in other liabilities and provisions	(339.73)	71.45
(Increase)/ decrease in trade receivables	201.70	194.19
(Increase)/ decrease in inventories	(212.17)	(1.88)
(Increase)/ decrease in other financial assets	(3.09)	14.17
(Increase)/ decrease in loans and other assets	(182.36)	(88.79)
<b>Cash generated from operations</b>	<b>(33.86)</b>	<b>655.09</b>
Direct taxes paid (net of refunds)	(92.83)	(45.37)
<b>Net cash flow generated (used in)/ from operating activities</b>	<b>(126.69)</b>	<b>609.72</b>
<b>B. Cash flows from investing activities</b>		
Purchase of property, plant and equipment including capital advances	(167.39)	(90.69)
Proceeds from sale of property, plant and equipment	0.54	0.92
Purchase of intangible assets	(0.61)	(0.78)
Interest received	0.51	1.56
<b>Net cash flow used in investing activities</b>	<b>(166.95)</b>	<b>(88.99)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from/ (repayment of) short term borrowings (net)	125.00	(347.62)
Finance costs paid	(37.18)	(30.40)
Payment of principal portion of lease liabilities	(14.59)	(9.53)
Payment of interest portion of lease liabilities	(4.20)	(2.27)
Dividend paid on equity shares	(8.44)	-
<b>Net cash flow from/ (used in) financing activities</b>	<b>60.59</b>	<b>(389.82)</b>
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(233.05)	130.91
<b>Cash and cash equivalents at the beginning of the period/ year</b>	<b>318.95</b>	<b>188.04</b>
<b>Cash and cash equivalents at the end of the period/ year (refer note 12)</b>	<b>85.90</b>	<b>318.95</b>
<b>Components of cash and cash equivalents</b>		
Cash and bank balances (refer note 12)	85.90	318.95
	85.90	318.95

## Notes:

- Cash and cash equivalents at the end of the year represent cash and cheques on hand/ remittance in transit and cash at bank.
- Cash flow statement is made using the indirect method.
- Refer note 12 for details pertaining to changes in liabilities arising from financing activities.

**Summary of significant accounting policies**

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**

Chartered Accountants

Firm registration number: 101049W/E300004

per **Sandeep Karnani**

Partner

Membership no. 061207

For and on behalf of the Board of Directors of

**Hitachi Energy India Limited****(Formerly known as ABB Power Products and Systems India Limited)**

Corporate identity number (CIN) : L31904KA2019PLC121597

**Achim Michael Braun**

Chairman and Director

DIN: 08596097

**Nuguri Venu**

Managing Director and CEO

DIN: 07032076

**Mukesh Hari Butani**

Director

DIN: 01452839

**Ajay Singh**

Chief Financial Officer

**Poovanna C Ammatanda**

General Counsel &amp;

Company Secretary

(FCS4741)

Place : Bengaluru

Date : May 27, 2022

Bengaluru

May 27, 2022

# Statement of changes in equity

## for the period ended March 31, 2022

### a. Equity share capital:

Equity shares of ₹2 each issued, subscribed and fully paid

All amount in Indian Rupees in crores, except as stated otherwise

	Number of shares	Amount
<b>As at January 1, 2020</b>	4,23,81,675	8.48
Changes in equity share capital	-	-
<b>As at December 31, 2020</b>	<b>4,23,81,675</b>	<b>8.48</b>
Changes in equity share capital	-	-
<b>As at March 31, 2022</b>	<b>4,23,81,675</b>	<b>8.48</b>

### b. Other equity :

Particulars	Attributable to equity shareholders					Total equity
	Securities premium	General reserve	Retained earnings	Capital reserve	Amalgamation adjustment deficit account	
<b>As at January 1, 2020</b>	9.80	507.10	315.82	0.18	(1.56)	831.34
Transition adjustment due to adoption of Ind AS 116 "Leases" (refer note 36(b)) (net of tax)	-	-	(1.06)	-	-	(1.06)
Profit for the year	-	-	99.80	-	-	99.80
Other comprehensive income for the year (net of tax)	-	-	(6.04)	-	-	(6.04)
<b>As at December 31, 2020</b>	<b>9.80</b>	<b>507.10</b>	<b>408.52</b>	<b>0.18</b>	<b>(1.56)</b>	<b>924.04</b>
Profit for the period	-	-	203.40	-	-	203.40
Other comprehensive income for the period (net of tax)	-	-	4.95	-	-	4.95
Dividend for the year ended December 31, 2020 (₹ 2 per share of face value of ₹ 2 each)	-	-	(8.48)	-	-	(8.48)
<b>As at March 31, 2022</b>	<b>9.80</b>	<b>507.10</b>	<b>608.39</b>	<b>0.18</b>	<b>(1.56)</b>	<b>1,123.91</b>

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of  
**Hitachi Energy India Limited**  
(Formerly known as ABB Power Products and Systems India Limited)  
Corporate identity number (CIN) : L31904KA2019PLC121597

**per Sandeep Karnani**  
Partner  
Membership no. 061207

**Achim Michael Braun**  
Chairman and Director  
DIN: 08596097

**Nuguri Venu**  
Managing Director and CEO  
DIN: 07032076

**Mukesh Hari Butani**  
Director  
DIN: 01452839

**Ajay Singh**  
Chief Financial Officer

**Poovanna C Ammatanda**  
General Counsel &  
Company Secretary  
(FCS4741)

Place : Bengaluru  
Date : May 27, 2022

Bengaluru  
May 27, 2022

# Notes to the financial statements

## for the period ended March 31, 2022

### 1. Corporate Information

“Hitachi Energy India Limited (name change with effect from November 12, 2021, formerly known as ABB Power Products and Systems India Limited (‘the Company’ or ‘APPSIL’) is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act, 2013 on February 19, 2019. The registered office is located at Bengaluru. The Company will serve utility and industry customers, with the complete range of engineering, products, solutions and services in areas of Power technology. The Company has extensive installed base for manufacturing and a countrywide marketing and service presence. Besides catering to Indian domestic market, the Company is also playing an increasing role in the global market.

The equity shares of the Company have been listed and are being traded on BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”).

The financial statements are approved for issue by the Company’s Board of Directors on May 27, 2022.

### 2. Significant accounting policies

The significant accounting policies applied by the Company in the preparation of its standalone Ind AS financial statements are listed below. Such accounting policies have been applied consistently to all the periods presented in these financial statements, unless otherwise stated.

#### 2.1 Basis of preparation of financial statements

##### A Statement of compliance

These financial statements of the Company are prepared and presented in accordance with Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provision of the Act as amended from time to time and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

##### B Functional and presentation currency

The financial statements are presented in Indian Rupees crores which is the currency of the primary economic environment in which the Company operated, rounded off to two decimal places, except where otherwise indicated.

##### C Basis of measurement

The financial statements have been prepared on the historical cost convention and on accrual basis, except for certain financial instruments (refer accounting policy regarding financial instruments), which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services as at the date of respective transactions.

##### D Comparatives

The financial statements provide comparative information in respect of the previous period. However, in the current year, the financial year of the Company has changed from January 01 - December 31 to April 01 - March 31. Consequently, the current financial year is changed from January 01, 2021 - December 31, 2021 to January 01, 2021 - March 31, 2022 (15 months period) and, thereafter, the financial year of the Company would be from April 01 to March 31 every year.

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Application of accounting policies that

require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2.3. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

## 2.3 Critical accounting estimates, assumptions and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Significant judgements and estimates relating to the carrying values of assets and liabilities include, determination of estimated projected cost and revenue in long term contracts, determination of term of lease contracts, fair value measurement, impairment of goodwill, provision for employee benefits and other provisions, recoverability of deferred tax assets and commitments and contingencies.

### 2.3.1 Estimates and assumptions

#### a. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

#### b. Provision for employee benefits

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rate and past trends. Further details about gratuity obligations are given in Note 32.

#### c. Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount. Due to the judgements involved in such estimations the provisions are sensitive to the actual outcome in future periods.

#### d. Project revenue and costs

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs



expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion as there is a direct relationship between input and productivity. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Further, the percentage-of-completion method places considerable importance on accurate estimates to the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. This requires the Company to estimate various costs to capture such risks, including liquidated damages and warranties. The Company re-assesses these estimates on periodic basis and makes appropriate revisions accordingly.

**e. Provision**

Significant estimates are involved in the determination of provisions related to liquidated damages, onerous contracts and warranty provision. The Company records a provision for onerous sales contracts when current estimates of total contract costs exceed expected contract revenue. Warranty provision is determined based on the historical trend of warranty expense for the same types of goods for which the warranty is currently being determined, after adjusting for unusual factors related to the goods that were sold or based on specific warranty clause in an agreement. Such estimates are reviewed annually for any material changes in assumptions and likelihood of occurrence. The provision for warranty, liquidated damages and onerous contracts is based on the best estimate required to settle the present obligation at the end of reporting period.

**f. Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a Discounted Cash Flow (DCF) model. The cash flows are derived from the budget and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

**g. Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of various inputs including liquidity risk, credit risk, volatility etc. Changes in assumptions/ judgements about these factors could effect the reported fair value of financial instruments.

**h. Taxes**

The Company uses estimates and judgements based on the relevant rulings in the areas of allocation of revenue, costs, allowances and disallowances which is exercised while determining the provision for income tax. Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous assessments and interpretations of tax regulations by the Company.

#### i. Impairment allowance for trade receivables

The Company uses a provision matrix to calculate Expected Credit Losses ('ECL') for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, customer type, rating and coverage by letters of credit and other forms of credit insurance). The provision matrix is initially based on the Company's historical observed default rates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions.

#### j. Leases: whether an arrangement contains a lease

The Company determines the lease term as the agreed tenure of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

### 2.4 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities, except for long-term contracts. The projects business comprises long-term contracts which have an operating cycle exceeding one year. For classification of current assets and liabilities related to projects business, the Company uses the duration of the individual life cycle of the contract as its operating cycle.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period;

The Company classifies all other liabilities as non-current;

Advance tax paid is classified as non-current assets

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### 2.5 Foreign Currency

Functional currency

The functional currency of the Company is the Indian Rupee.

Transactions and translations Initial recognition transactions in foreign currencies are recorded by the Company at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. The gains or losses resulting from such translations are recognised in the statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was measured. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

## 2.6 Revenue Recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated if any. In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue are stated exclusive of goods and service tax and net of trade and quantity discount.

Liquidated damages / penalties are provided for as per the contract terms wherever there is a delayed delivery attributable to the Company.

### **Revenue from the sale of goods**

Revenues are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue recognized in excess of billing has been reflected under "Other financial assets" as unbilled revenue.

### **Revenue from execution of contracts for projects and services**

Revenues are recognised on the percentage of completion method, in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of billing has been reflected under "Other current assets" and billing in excess of contract revenue has been reflected under "Other current liabilities" in the balance sheet. Full provision is made for any loss in the year in which it is first foreseen.

### **Revenue from sale of services**

Revenue from services rendered over a period of time, such as annual maintenance contracts, are recognised on straight line basis over the period of the performance obligation.

### **Income from development services**

Revenue from the development services is recognised as per the contract terms and when accrued. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

**Commission income**

Commission income is recognized as per contract terms and when accrued.

**Export benefits**

Export incentives receivable are accrued for, when the right to receive the credit is established and there is no significant uncertainty regarding the realisability of the incentive.

**Other income**

Interest income is recognised on time proportion basis.

Fair value gain on financial instruments is recognized using the effective interest method.

**2.7 Income tax**

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss.

**2.7.1 Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

The Company offsets tax assets and tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**2.7.2 Deferred tax**

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

## 2.8 Property, plant and equipment

### Recognition and measurement

Freehold Land is carried at historical cost, all other item of property, plant and equipment is measured at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The Company identifies and determines cost of each component/ part of property, plant and equipment separately, if the component/ part has a cost which is significant to the total cost of the property, plant and equipment and has useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances and cost of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress is stated at cost less accumulated impairment loss.

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

### Depreciation

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. Leasehold assets are depreciated lower of lease period or life of the assets. The estimated useful lives of assets are as follows:

Useful lives estimated by the management in years:

Particulars	Years
Factory buildings	15-30
Other buildings	3-60
Furniture and fixtures	10
Office equipments	3-5
Plant and equipment	3-21
Vehicles	5

Depreciation methods, useful lives and residual values are reviewed periodically, at each reporting date. Further, freehold land are carried at historical cost and is not depreciated.

### De-recognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

## 2.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the statement of profit and loss in the period in which the expenditure is incurred.



## Amortisation

Amortisation is recognised in the statement of profit and loss on a straight line basis over the estimated useful lives of the intangible assets.

The estimated useful life of assets are as follows:

Particulars	Years
Technical know-how fees	6-10
Capitalized software costs	3-5

Goodwill on business acquisition is not amortized but tested for impairment.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed at each financial year end to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

## De-recognition

Intangible assets are de-recognised either on their disposal or where no future economic benefits are expected from their use. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

## 2.10 Leases

The Company is required to adopt Ind AS 116 Leases from 1 January 2020. Ind AS 116 replaces existing leases guidance, including Ind AS 17 Leases. Ind AS 116 introduces a single Balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.18 (b) Impairment of non-financial assets.

### **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### **2.11 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **2.12 Inventories**

Inventories consist of raw materials, work-in-progress, finished goods, stock-in-trade and stores and spares. Inventories are measured at the lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

The cost of various categories of inventories is arrived at as follows:

Stores, spares, raw materials, components and stock-in-trade - at rates determined on the moving weighted average method.

Goods in Transit – at actual cost.

Work-in-progress and finished goods - at full absorption cost method which includes direct materials, direct labour and manufacturing overheads. Cost is determined on weighted average method.

Cost includes expenditures incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Provision for obsolescence is made wherever necessary.

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

The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated shelf life, planned product discontinuances, price changes, ageing of inventory and introduction of competitive new products, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis.

## 2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 2.13.1 Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

### 2.13.2 Subsequent measurement

#### a. Non-derivative financial instruments

##### (i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business where the objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business where the objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income based on its business model. Further, in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

##### (iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

##### (iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

**Financial liabilities**

Financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**a) Off-setting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**(v) Derecognition**

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

A financial liability is primarily derecognised when:

- The obligation under the liability is discharged or cancelled or expires, or
- The existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**b. Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward and option contracts including commodity contracts to mitigate the risk of changes in exchange rates on foreign currency exposures and fluctuation in commodity prices. The counterparty for these contracts is generally a bank.

**Financial assets or financial liabilities, at fair value through profit or loss.**

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income / expenses. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

Certain commercial contracts may grant rights to the Company or the counterparties, or contain other provisions that are considered to be derivatives. Such embedded derivatives are assessed at inception of the contract and depending on their characteristics, accounted for as separate derivative instruments and shown at their fair value in the balance sheet with changes in their fair value recognized through profit or loss.

## 2.14 Fair value measurement of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

### Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value includes discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result from general approximation of value and the same may differ from the actual realised value.

## 2.15 Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## 2.16 Finance costs

Borrowing costs are recognised in the statement of profit and loss using the effective interest method. The associated cash flows are classified as financing activities in the statement of cash flows.

## 2.17 Provisions, contingent liabilities and contingent assets

### General

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that is reliably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of time value of money is material, provisions are determined by discounting the expected



future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

#### **Warranty provisions**

Provisions for warranty-related costs are recognised when the product is sold to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually. Also, refer note 22

#### **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

#### **Contingent assets**

Contingent assets are not recognised or disclosed in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet.

### **2.18 Impairment**

#### **a Financial assets**

Financial assets (other than at fair value) The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 ('Financial Instruments') requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. The Company provides for impairment upon the occurrence of the triggering event.

#### **b Non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the

estimates used to determine the recoverable amount. An impairment loss in case of goodwill is not reversed. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## 2.19 Earnings per share

The Company presents basic and diluted Earnings per share for its ordinary shares. Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year/period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

## 2.20 Retirement and other employee benefits

### 2.20.1 Gratuity - defined benefit plans

The present value of the obligation under defined benefit plans are determined based on actuarial valuation using the Projected Unit Credit Method. In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on a net basis.

Remeasurement comprising of actuarial gains and losses is recognized in other comprehensive income (OCI) and is reflected in reserves and surplus as part of equity and is not eligible to be reclassified to profit or loss.

The Company recognises the following changes in the net defined benefit obligation as an expense in statement of profit and loss:

- Service cost including current service cost, past service cost and gains and losses on curtailments and settlements; and
- Net interest expense or income.

### 2.20.2 Provident fund - Defined contribution scheme

Retirement benefit in the form of provident fund and pension fund are defined contribution scheme. The Company has no obligation, other than the contribution payable. The Company recognizes contribution payable to provident fund and pension fund as expenditure, when an employee renders the related service.

### 2.20.3 Superannuation - Defined contribution scheme

Contribution to Superannuation Fund, is made at pre-determined rates to the Superannuation Fund Trust and is charged to the statement of profit and loss during the period in which the employee renders the related services. There are no other obligations other than the contribution payable to the Superannuation Fund Trust. The corpus of which is invested with the Life Corporation of India.

### 2.20.4 Compensated absences

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company presents the entire accumulated leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at each balance sheet date.

### 2.21 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of statement of cash flows, cash and cash equivalents consist of cash and cheque at hand/ remittance in transit and cash and deposit with bank.

### 2.22 Cash dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### 2.23 Corporate social responsibility ('CSR') expenditure

The Company charges its CSR expenditure during the year to the statement of profit and loss.

### 2.24 Segment

Operating segments are identified as those components of the Company (a) that engage in business activities to earn revenues and incur expenses (including transactions with any of the Company's other components (b) whose operating results are regularly reviewed by the Company's Chief Executive Officer to make decisions about resource allocation and performance assessment and (c) for which discrete financial information is available. The accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments.

The Company is engaged in the business relating to products, projects and services for electricity transmission and related activities. These activities of the Company are reviewed regularly by the chief operating decision maker from an overall business perspective, rather than reviewing its products/services as individual standalone components and therefore subject to the same risk and reward and accordingly falls within single business segment.

### 2.25 Exceptional Items

Exceptional Items represents the nature of transactions which are not in recurring nature during the ordinary course of business but lead to increase/ decrease in profit/ loss for the period/ year.

### 2.26 New and amended standards (Ind AS)

The following amended standards were effective during the period, however, these amendments had no impact on the financial statements of the Company

**(i) Amendments to Ind AS 116: Covid-19-Related Rent Concessions.**

The amendments provide relief to lessees from applying Ind AS 116 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under Ind AS 116, if the change were not a lease modification.

**(ii) Amendments to Ind AS 103 Business Combinations**

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards\* issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

**(iii) Amendments to Ind AS 1 and Ind AS 8: Definition of Material**

The amendments provide a new definition of material that states, "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity". The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the standalone financial statements.

A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

**(iv) Amendments to Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform**

The amendments to Ind AS 109 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no significant impact on the financial statements of the Company as it does not have any interest rate hedge relationship.

The amendments to Ind AS 107 prescribe the disclosures which entities are required to make for hedging relationships to which the reliefs as per the amendments in Ind AS 109 are applied.

**2.27 Recent Indian Accounting Standards (Ind AS)**

The following new standards and amendment to Ind AS have not been applied by the Company as they are effective annual periods beginning on or after April 1, 2022:

**Standards issued but not yet effective****(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

**(ii) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28**

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

The Company will not be affected by these amendments on the date of transition.

**2.28 Conceptual framework**

The MCA has notified the Amendments to Schedule III of the Companies Act, 2013 vide notification dated March 24, 2021, applicable for annual reporting periods beginning on or after the April 1, 2021. Accordingly, the same is not applicable for the Company as the current financial period begins from January 1, 2021.

## 3. Property, plant and equipment and Right-of-use (ROU) assets

All amount in Indian Rupees in crores, except as stated otherwise

	Property, plant and equipment (Owned Assets)									ROU Assets				
	Freehold land	Lease hold land	Lease hold improvements	Factory buildings	Other buildings	Plant and equipment	Office equipment's	Furniture and fixtures	Vehicles	Total Owned Assets	Lease hold land	Office buildings	Vehicles	Total ROU Assets
<b>Gross carrying value</b>														
<b>As at January 1, 2020</b>	13.71	9.53	0.36	138.11	27.66	522.44	6.05	13.73	0.31	731.90	-	-	-	-
On account of transition to Ind AS 116	-	-	-	-	-	-	-	-	-	-	-	20.28	10.30	30.58
Additions	-	-	12.17	0.48	5.14	82.29	3.50	2.20	-	105.78	-	15.60	2.38	17.98
Reclassification	-	-	-	(1.72)	1.72	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(0.14)	-	(6.98)	(0.29)	(0.70)	(0.26)	(8.37)	-	-	-	-
Transfer to ROU assets (refer note iii below)	-	(9.53)	-	-	-	-	-	-	-	(9.53)	-	-	-	-
Transfer from owned assets (refer note iii below)	-	-	-	-	-	-	-	-	-	-	9.53	-	-	9.53
<b>As at December 31, 2020</b>	13.71	-	12.53	136.73	34.52	597.75	9.26	15.23	0.05	819.78	9.53	35.88	12.68	58.09
Additions	-	-	3.48	0.20	20.36	39.75	5.90	7.49	0.53	77.71	-	40.50	5.35	45.85
Reclassification	-	-	-	(0.07)	(0.17)	0.02	-	0.22	-	-	-	-	-	-
Reimbursement of capital expenditure (refer note iv below)	-	-	(6.25)	-	(6.03)	(4.86)	(4.94)	(4.33)	-	(26.41)	-	-	-	-
Disposals	-	-	(0.08)	(1.18)	(0.62)	(8.78)	(0.42)	(0.91)	-	(11.99)	-	(4.83)	(3.50)	(8.33)
<b>As at March 31, 2022</b>	13.71	-	9.68	135.68	48.06	623.88	9.80	17.70	0.58	859.09	9.53	71.55	14.53	95.61
<b>Accumulated depreciation</b>														
<b>As at January 1, 2020</b>	-	0.78	0.20	7.31	3.44	174.77	2.29	3.19	0.21	192.19	-	-	-	-
Depreciation charge for the year	-	-	0.90	6.05	3.32	46.98	1.52	1.79	0.07	60.63	0.10	7.02	3.66	10.78
Reclassification	-	-	-	(0.31)	0.31	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(0.14)	-	(5.44)	(0.28)	(0.68)	(0.26)	(6.80)	-	-	-	-
Transfer to ROU assets	-	(0.78)	-	-	-	-	-	-	-	(0.78)	-	-	-	-
Transfer from owned assets	-	-	-	-	-	-	-	-	-	-	0.78	-	-	0.78
<b>As at December 31, 2020</b>	-	-	1.10	12.91	7.07	216.31	3.53	4.30	0.02	245.24	0.88	7.02	3.66	11.56
Depreciation charge for the period	-	-	5.40	7.87	3.34	59.50	3.07	2.77	0.11	82.06	0.13	12.25	4.42	16.80
Reimbursement of capital expenditure (refer note iv below)	-	-	(2.81)	-	(0.13)	(0.49)	(1.44)	(0.52)	-	(5.39)	-	-	-	-
Reclassification	-	-	-	(0.02)	(0.16)	0.02	-	0.16	-	-	-	-	-	-
Disposals	-	-	(0.08)	(0.55)	(0.48)	(7.61)	(0.42)	(0.89)	-	(10.03)	-	(2.57)	(2.13)	(4.70)
<b>As at March 31, 2022</b>	-	-	3.61	20.21	9.64	267.73	4.74	5.82	0.13	311.88	1.01	16.70	5.95	23.66
<b>Net carrying value as at December 31, 2020</b>	13.71	-	11.43	123.82	27.45	381.44	5.73	10.93	0.03	574.54	8.65	28.86	9.02	46.53
<b>Net carrying value as at March 31, 2022</b>	13.71	-	6.07	115.47	38.42	356.15	5.06	11.88	0.45	547.21	8.52	54.85	8.58	71.95

## Notes:

- There are no property, plant and equipment given on operating lease.
- Freehold land, Leasehold land, Factory buildings and other buildings transferred to the Company, pursuant to the scheme of arrangement, as detailed in note 16(g) is in the process of being registered in the name of the Company.
- The net block of Leasehold land of Rs. 8.75 crores (Gross block - Rs. 9.53 crores and accumulated depreciation - Rs.0.78 crores) has been reclassified to "Right of Use" assets on account of adoption of Ind AS 116 "Leases". Refer note 36(b).
- Reimbursement of capital expenditure: During the period ended March 31, 2022, Hitachi Energy Ltd (formerly known as Hitachi ABB Power Grids Ltd) entered into an agreement with the Company towards reimbursement of Rs. 26.41 crore pertaining to capital expenditure incurred by the Company post separation of Power Grids business as such cost was not to be incurred by the Company, pursuant to global arrangement with ABB Ltd, Switzerland ('ABB') and Hitachi Ltd, Japan('Hitachi') (being the shareholders of Hitachi Energy Ltd). Accordingly, the reimbursement of Rs 26.41 Crore receivable has been reduced from the gross block of property, plant and equipment with a consequent impact on accumulated depreciation as on March 31, 2022 amounting to Rs. 5.39 crore which has been adjusted against the current period depreciation in the statement of profit and loss



#### 4. Capital work-in-progress

All amount in Indian Rupees in crores, except as stated otherwise	
	Amount
<b>Gross carrying value</b>	
<b>As at January 1, 2020</b>	<b>56.69</b>
Additions	81.45
Capitalised during the year	(105.78)
<b>As at December 31, 2020</b>	<b>32.36</b>
Additions	163.68
Capitalised during the period	(77.71)
<b>As at March 31, 2022</b>	<b>118.33</b>

#### 5. Goodwill and other intangible assets

All amount in Indian Rupees in crores, except as stated otherwise				
Other intangible assets				
	Goodwill	Technical Know-how fees	Capitalised Software	Total
<b>Gross carrying value</b>				
<b>As at January 1, 2020</b>	<b>31.80</b>	<b>33.36</b>	<b>2.69</b>	<b>36.05</b>
Additions	-	-	0.78	0.78
Disposals	-	-	(0.02)	(0.02)
<b>As at December 31, 2020</b>	<b>31.80</b>	<b>33.36</b>	<b>3.45</b>	<b>36.81</b>
Additions	-	-	0.61	0.61
Disposals	-	-	-	-
<b>As at March 31, 2022</b>	<b>31.80</b>	<b>33.36</b>	<b>4.06</b>	<b>37.42</b>
<b>Accumulated amortisation/ impairment</b>				
<b>As at January 1, 2020</b>	-	<b>26.64</b>	<b>1.47</b>	<b>28.11</b>
Amortisation charge for the year	-	5.39	0.37	5.76
Disposals	-	-	(0.02)	(0.02)
<b>As at December 31, 2020</b>	-	<b>32.03</b>	<b>1.82</b>	<b>33.85</b>
Amortisation charge for the period	-	1.33	0.66	1.99
Disposals	-	-	-	-
<b>As at March 31, 2022</b>	-	<b>33.36</b>	<b>2.48</b>	<b>35.84</b>
<b>Net carrying value as at December 31, 2020</b>	<b>31.80</b>	<b>1.33</b>	<b>1.63</b>	<b>2.96</b>
<b>Net carrying value as at March 31, 2022</b>	<b>31.80</b>	-	<b>1.58</b>	<b>1.58</b>

#### Goodwill impairment testing

The carrying amount of goodwill as at March 31, 2022 and as at December 31, 2020 has been attributed to power grids business as a cash generating unit ('CGU'). The Company tests whether goodwill has suffered any impairment on an annual basis or in case of any indicator. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use pre-tax cash flow projections based on financial budgets approved by the management. An average of the range of each assumption used as at March 31, 2022 and as at December 31, 2020 is mentioned below.

Growth rate	5% - 6%
Operating margins	6% - 13%
Discount rate	7.5% - 10%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU. These estimates are likely to differ from future actual results of operations and cash flows.

Based on the above assessment, there has been no impairment of goodwill.

## 6. Loans

All amount in Indian Rupees in crores, except as stated otherwise				
	Non-current		Current	
	March 31, 2022	December 31, 2020	March 31, 2022	December 31, 2020
(Unsecured considered good, unless otherwise stated)				
Security deposits	13.63	10.29	4.11	2.36
Security deposits which have significant increase in credit risk	-	-	0.31	0.71
Less: Impairment allowance on security deposits which have significant increase in credit risk	-	-	0.31	0.71
	-	-	-	-
Loans to employees	2.18	-	3.24	3.61
	<b>15.81</b>	<b>10.29</b>	<b>7.35</b>	<b>5.97</b>

## 7. Non-current tax asset (net)

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2022	December 31, 2020
Advance income-tax (net of provision for current tax)	15.06	14.35
	<b>15.06</b>	<b>14.35</b>

## 8. Income tax

All amount in Indian Rupees in crores, except as stated otherwise		
	For the 15 months period ended March 31, 2022	For the year ended December 31, 2020
<b>The major components of income tax expense for the period/ year:</b>		
<b>Statement of profit and loss:</b>		
Current tax	87.83	60.12
Deferred tax credit	(14.64)	(23.64)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>73.19</b>	<b>36.48</b>
<b>Other comprehensive income ('OCI')</b>		
Deferred tax related to items recognised in OCI during the period/ year:	(1.66)	2.03
<b>Income tax (expense)/credit to OCI</b>	<b>(1.66)</b>	<b>2.03</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:</b>		
<b>Accounting profit before income tax</b>	<b>276.59</b>	<b>136.28</b>
At India's statutory tax rate of 25.17% for the period ended March 31, 2022 and year ended December 31, 2020	69.62	34.30
Adjustments in respect of current income tax		
Non-deductible expenses for tax purposes	3.57	2.18
<b>Income tax expense at effective tax rate of 26.46% (December 31, 2020 : 26.77%)</b>	<b>73.19</b>	<b>36.48</b>
<b>Deferred tax assets/ (liabilities) relates to the following:</b>		
	<b>March 31, 2022</b>	<b>December 31, 2020</b>
Fixed asset : Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(59.93)	(63.74)
Provision for doubtful debts and advances	56.68	54.08
Demerger related expenses	9.46	12.22
Expenditure debited to the statement of profit and loss but allowable for tax purpose in subsequent years	28.62	19.29
<b>Net deferred tax assets/ (liabilities)</b>	<b>34.83</b>	<b>21.85</b>
Deferred tax assets	94.76	85.59
Deferred tax liabilities	(59.93)	(63.74)
<b>Deferred tax assets/ (liabilities), net</b>	<b>34.83</b>	<b>21.85</b>
<b>Reconciliation of deferred tax assets/ (liabilities) (net)</b>		
	<b>March 31, 2022</b>	<b>December 31, 2020</b>
Opening balance as at the commencement of the period/ year	21.85	(4.16)
Transition adjustment due to adoption of Ind AS 116 "Leases" (refer note 36(b)) (net of tax)	-	0.34
Tax income/ (expense) during the period/ year recognised in profit or loss	14.64	23.64
Tax income/ (expense) during the period/ year recognised in OCI	(1.66)	2.03
<b>Tax income/ (expense) during the period/ year recognised in retained earnings</b>	<b>12.98</b>	<b>25.67</b>
<b>Closing balance</b>	<b>34.83</b>	<b>21.85</b>

## 9. Other non-current assets

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2022	December 31, 2020
(Unsecured considered good, unless otherwise stated)		
Capital advances	6.04	5.08
Advances recoverable which have significant increase in credit risk	-	1.89
Less: Impairment allowance on advances recoverable which have significant increase in credit risk	-	1.89
	-	-
	<b>6.04</b>	<b>5.08</b>

## 10. Inventories (valued at lower of cost and net realisable value)

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2022	December 31, 2020
Raw materials and components (includes goods in transit goods of Rs. 40.72 crores (December 31, 2020: Rs. 40.59 crores))	355.57	270.45
Work-in-progress	288.34	211.79
Finished goods	59.26	10.72
Stock-in-trade	2.34	0.28
Stores and spares	1.74	1.84
	<b>707.25</b>	<b>495.08</b>

During the period ended March 31, 2022, Rs. 30.65 crores (December 31, 2020, Rs. 15.05 crores) has been recognised as an expense in relation to inventories being carried at net realisable value.

## 11. Trade receivables

All amount in Indian Rupees in crores, except as stated otherwise				
	Non-current		Current	
	March 31, 2022	December 31, 2020	March 31, 2022	December 31, 2020
<b>Unsecured</b>				
Considered good	-	-	1,343.81	1,573.90
Trade receivables which have significant increase in credit risk	-	-	132.22	121.46
Trade receivables - credit impaired	80.20	87.61	-	-
	<b>80.20</b>	<b>87.61</b>	<b>1,476.03</b>	<b>1,695.36</b>
<b>Less: Impairment allowance (allowance for bad and doubtful debts)</b>				
Trade receivables which have significant increase in credit risk	-	-	132.22	121.46
Trade receivables - credit impaired	80.20	87.61	-	-
	-	-	<b>1,343.81</b>	<b>1,573.90</b>

- Trade receivables from related parties (refer note 40).
- No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
- Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days.
- Trade receivables is inclusive of the retention receivables.
- Refer note 33(c)(iv) for details pertaining to credit risk.
- Refer note 38(b) for details pertaining to contract balances.

## 12. Cash and cash equivalents

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2022	December 31, 2020
Balances with banks		
- on current accounts	70.64	301.04
Cheques on hand/ remittance in transit	15.26	17.91
<b>Cash and cash equivalents in the balance sheet and statement of cash flows</b>	<b>85.90</b>	<b>318.95</b>
<b>Changes in liabilities arising from financing activities:</b>		

	Lease liabilities		Borrowings	
	March 31, 2022	December 31, 2020	March 31, 2022	December 31, 2020
Balance as at the beginning of the period/ year	39.07	-	-	347.62
Cash inflows/ (outflows)	(18.79)	(11.80)	125.00	(347.62)
Non-cash changes				
-On account of transition to Ind AS 116	-	31.74	-	-
-Additions	44.35	16.86	-	-
-Accretion of interest	4.20	2.27	-	-
-Deletions	(3.83)	-	-	-
Balance as at the end of the period/ year	<b>65.00</b>	<b>39.07</b>	<b>125.00</b>	-

### 13. Bank balances other than cash and cash equivalent

	March 31, 2022	December 31, 2020
Unpaid dividend	0.04	-

### 14. Other current financial assets

(Unsecured considered good, unless otherwise stated)

All amount in Indian Rupees in crores, except as stated otherwise

	March 31, 2022	December 31, 2020
Deposits with customers	5.64	8.52
Deposits with customers which have significant increase in credit risk	2.39	-
Less: Impairment allowance on deposits with customers which have significant increase in credit risk	2.39	-
	-	-
Contract revenue in excess of billing/ unbilled revenue (refer note 38(b))	74.89	60.82
Contract revenue in excess of billing/ unbilled revenue which have significant increase in credit risk	0.13	3.22
Less: impairment allowance on contract revenue in excess of billing/ unbilled revenue which have significant increase in credit risk	0.13	3.22
	-	-
Other receivables	32.73	14.55
Other receivables which have significant increase in credit risk	0.83	-
Less: impairment allowance on Other receivables which have significant increase in credit risk	0.83	-
	-	-
Mark to market gain on forward contracts*	7.56	28.36
Mark to market gain on embedded derivatives*	3.06	8.38
	<b>123.88</b>	<b>120.63</b>

\* Mark to market gain is identified and accounted based on the underlying contracts. The derivatives are recognised at fair value through statement of profit and loss.

### 15. Other current assets

(Unsecured considered good, unless otherwise stated)

All amount in Indian Rupees in crores, except as stated otherwise

	March 31, 2022	December 31, 2020
Prepaid expenses	20.16	15.59
Contract assets (refer note 38(b))	95.25	125.99
Contract assets which have significant increase in credit risk	8.85	-
Less: impairment allowance on contract assets which have significant increase in credit risk	8.85	-
	-	-
Advances other than capital advances	48.21	48.96
Advances other than capital advances which have significant increase in credit risk	0.12	-
Less: impairment allowance on advances other than capital advances which have significant increase in credit risk	0.12	-
	-	-
Balance with government authorities	249.42	58.29
	<b>413.04</b>	<b>248.83</b>

## 16. Equity

All amount in Indian Rupees in crores, except as stated otherwise

Share capital	Equity shares	
	Number of shares	Amount
<b>a. Authorised share capital</b>		
At January 1, 2020	5,00,00,000	10.00
Changes during the year	-	-
<b>At December 31, 2020</b>	<b>5,00,00,000</b>	<b>10.00</b>
Changes during the period	-	-
<b>At March 31, 2022</b>	<b>5,00,00,000</b>	<b>10.00</b>
<b>b. Issued equity share capital</b>		
<b>Equity shares of Rs. 2 each issued, subscribed and fully paid up</b>		
At January 1, 2020	4,23,81,675	8.48
Changes during the year	-	-
<b>At December 31, 2020</b>	<b>4,23,81,675</b>	<b>8.48</b>
Changes during the period	-	-
<b>At March 31, 2022</b>	<b>4,23,81,675</b>	<b>8.48</b>

**c. Terms/ rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 2/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees.

The Board of directors have recommended dividend of Rs. 3/- per equity share for the period ended March 31, 2022. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**d. Details of shareholders holding more than 5% of the shares in the Company**

Name of the shareholders	Number of shares		% of holding	
	March 31, 2022	December 31, 2020	March 31, 2022	December 31, 2020
Equity shares of Rs. 2 each, fully paid up				
Hitachi Energy Ltd - the holding company (refer note 16(f))	3,17,86,256	-	75.00%	-
ABB Asea Brown Boveri Limited - the holding company	-	3,17,86,256	-	75.00%

As per records of the Company and other declarations received from shareholders, the above shareholding represents both legal and beneficial ownerships of shares.

**e. Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

Out of the equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

Name of the shareholders	Number of shares		Amount	
	March 31, 2022	December 31, 2020	March 31, 2022	December 31, 2020
Equity shares of Rs. 2 each, fully paid up				
Hitachi Energy Ltd - the holding company (refer note 16(f))	3,17,86,256	-	6.36	-
ABB Asea Brown Boveri Limited - the holding company	-	3,17,86,256	-	6.36
	<b>3,17,86,256</b>	<b>3,17,86,256</b>	<b>6.36</b>	<b>6.36</b>

- f. During the year ended December 31, 2020, an open offer for acquisition of upto 10,595,419 fully paid equity shares of face value of INR 2/- each of the Company from Public Shareholders was made by ABB Switzerland Ltd along with Hitachi, Ltd., Hitachi ABB Power Grids Ltd (name changed to Hitachi Energy Ltd w.e.f. June 30, 2021, previously named ABB Management Holding AG) and ABB Ltd and acting in their capacity as persons acting in concert with the Acquirers.

As set out in the Letter of Offer dated September 2, 2020, while Hitachi, Ltd. had acquired indirect control over the Company on and from July 1, 2020, the ownership interest of 75% of equity shares of the Company was continued to be held by ABB Asea Brown Boveri Ltd, until the transfer of such ownership interest to Hitachi ABB Power Grids Ltd (name changed to Hitachi Energy Ltd w.e.f. June 30, 2021, previously named ABB Management Holding AG and majority shareholding of which is owned by Hitachi, Ltd.), as part of a delayed closing of the transaction in India. Such delayed closing and transfer of the 75% of equity shares of the Company to Hitachi ABB Power Grids Ltd took place on February 5, 2021.

179 Equity shares (0.0004% of paid up share capital) tendered in the open offer that concluded on September 2020 were acquired by ABB Switzerland Limited. Out of 179 shares tendered in the open offer, 1 share in physical form was transferred to ABB Switzerland Limited during the year ended December 31, 2020.

During the period ended March 31, 2022, the said Equity share which was held in physical form as on December 31, 2020 has been converted into demat form and credited into demat account of ABB Switzerland Limited. Further, ABB Switzerland Ltd, one of the promoters of the Company divested 179 (one hundred and seventy nine) equity shares, in accordance with the requirements of Rule 19(2)(b) and Rule 19(A) of the Securities Contracts (Regulation) Rules, 1957 and Regulation 38 of the SEBI (Listing Obligations and Disclosures requirements) Regulations, 2015 read with paragraph 2(a) and paragraph (3) of the SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/43/2018 dated February 22, 2018 ("SEBI Circular") in order for the Company to ensure compliance with the minimum public shareholding requirements specified under law.



Consequent to such divestment, the promoter shareholding is 31,786,256 equity shares and public shareholding is 10,595,419 equity share as on March 31, 2022 which is equivalent to 75% and 25% of the total paid up capital of the Company respectively.

**g. Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**

The Board of directors of ABB India Limited on March 5, 2019 approved the Scheme of Arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ('the Scheme') between ABB India Limited ('transferor Company'), ABB Power Products and Systems India Limited ('Resulting Company' or, 'APPSIL') and their respective shareholders and creditors for the demerger of Power Grid business from ABB India Limited into the Company. The appointment date for the Scheme was April 01, 2019. The Scheme was approved by National Company Law Tribunal (NCLT), Bengaluru Bench vide its order dated. November 27, 2019 and a certified copy has been filed by the Company with the Registrar of Companies, Bengaluru, on December 1, 2019 (effective date). Pursuant to the aforesaid Scheme, on December 24, 2019, the Company issued 42,381,675 number of fully paid equity shares having face value of Rs. 2 each to the existing equity shareholders of ABB India Limited in the proportion of 1 share for every 5 shares held. Further, 50,000 number of shares issued to the ABB India Limited at the time of incorporation of the Company was cancelled as per the aforesaid Scheme.

## 17. Other equity

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2022	December 31, 2020
<b>a Securities premium</b>		
Opening balance	9.80	9.80
Changes during the period/ year	-	-
Closing balance	<b>9.80</b>	<b>9.80</b>
<b>b Retained earnings</b>		
Opening balance	408.52	315.82
Transition adjustment due to adoption of Ind AS 116 "Leases" (refer note 36(b)) (net of tax)	-	(1.06)
Net profit for the period/ year	203.40	99.80
Other comprehensive income (net of tax)	4.95	(6.04)
Less: Appropriations during the year: Equity dividend	(8.48)	-
Closing balance	<b>608.39</b>	<b>408.52</b>
<b>c Amalgamation adjustment deficit account</b>		
Opening balance	(1.56)	(1.56)
Changes during the period/ year	-	-
Closing balance	<b>(1.56)</b>	<b>(1.56)</b>
<b>d Capital reserve</b>		
Opening balance	0.18	0.18
Changes during the period/ year	-	-
Closing balance	<b>0.18</b>	<b>0.18</b>
<b>e General reserve</b>		
Opening balance	507.10	507.10
Changes during the period/ year	-	-
Closing balance	<b>507.10</b>	<b>507.10</b>
<b>Total other equity</b>	<b>1,123.91</b>	<b>924.04</b>

### Nature and purpose of other reserves

**a) Securities premium**

Securities premium acquired pursuant to scheme of arrangement shall be utilised in accordance with the provisions of Companies Act, 2013.

**b) Retained earnings**

Retained earnings are the profits of the Company earned till date net of appropriations/distributions, includes amount acquired pursuant to scheme of arrangement and other adjustments permitted as per the applicable regulations and accounting standards.

**c) Amalgamation adjustment deficit account**

Amalgamation adjustment deficit account is the deficit between the carrying value of assets, liabilities and reserves transferred to the Company and the consideration discharged by way of the New Equity Shares issued to the shareholders of ABB India Limited pursuant to the demerger of Power Grid Business from ABB India Limited. (refer note 16(g)).

**d) Capital reserve**

Capital reserve is acquired pursuant to scheme of arrangement.

**e) General reserve**

General reserve is acquired pursuant to scheme of arrangement. The Company can use this reserve for payment of dividend and issue of fully paid-up shares. As General reserve is created by transfer of one component of equity to another and is not an item of other comprehensive income, items included in the General reserve will not be subsequently reclassified to statement of profit and loss.

**18. Other financial liabilities**

All amount in Indian Rupees in crores, except as stated otherwise					
	Non-current		Current		
	March 31, 2022	December 31, 2020	March 31, 2022	December 31, 2020	
Security deposits received	1.09	0.87	-	-	
Unpaid dividend	-	-	0.04	-	
Payable towards purchase of fixed assets	-	-	3.32	6.07	
Employee related payables	2.08	-	39.63	41.40	
Interest accrued but not due	-	-	0.01	-	
Mark to market loss on embedded derivatives*	-	-	5.50	15.25	
Mark to market loss on forward contracts*	-	-	4.35	4.54	
Other payables	-	-	41.64	47.67	
	<b>3.17</b>	<b>0.87</b>	<b>94.49</b>	<b>114.93</b>	

\* Mark to market gain is identified and accounted based on the underlying contracts. The derivatives are recognised at fair value through statement of profit and loss.

**19. Borrowings**

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2022	December 31, 2020
Bank loan (Unsecured)	125.00	-
	<b>125.00</b>	<b>-</b>

Short term loan from Bank of America of Rs. 125.00 crores carries interest @ 4.05% p.a. The loan is repaid in full on April 29, 2022.

**20. Trade payables**

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2022	December 31, 2020
Total outstanding dues of micro enterprises and small enterprises*	84.02	40.94
	<b>84.02</b>	<b>40.94</b>
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	487.66	161.45
Other trade payables	1,047.32	1,375.59
	<b>1,534.98</b>	<b>1,537.04</b>
	<b>1,619.00</b>	<b>1,577.98</b>

1. Trade payables from related parties (refer note 40).
2. Refer note 38(b) for details pertaining to contract balances.

\*The Company has amounts due to Micro and Small Enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2022 and as at December 31, 2020.

(i)	The principal amount and the interest due thereon remaining unpaid to any supplier at each accounting period/ year		
	Principal amount	80.35	38.10
	Interest	0.19	0.19
(ii)	The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for each accounting period/ year		
	Principal amount	-	-
	Interest	-	-

(iii)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period/ year).	0.64	0.95
(iv)	The amount of interest accrued and remaining unpaid for each accounting period/ year	0.83	1.14
(v)	The amount of further interest remaining due and payable for the earlier years	2.84	1.70
(vi)	The amount (including interest) due as at each accounting period/ year	<b>84.02</b>	<b>40.94</b>

The above disclosures are provided by the Company based on the information available with the Company in respect of the registration status of its vendors/suppliers.

As at March 31, 2022, trade payables amounting to Rs. 64.00 crores (includes Rs. 1.35 crores which are payable from more than 3 years), net of subsequent payment, towards purchase of goods and services, which are outstanding beyond permissible time period stipulated under the Master Circular on Import of Goods and Services and Master Circular on Export of Goods and Services issued by Reserve Bank of India ('the RBI'), which states that payments against imports of goods are required to be made within 180 days from date of shipment. Considering that the balances are outstanding for more than the stipulated time, the Company is in the process of intimating the appropriate regulatory authorities and seeking requisite approvals for extensions. The management is confident that required approvals would be received and penalties, if any that may be imposed on the Company would not be material. Accordingly, no adjustments have been made by the management to these financial statements in this regard.

## 21. Other current liabilities

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2022	December 31, 2020
Billing in excess of contract revenue (refer note 38(b))	89.51	358.72
Statutory dues payable*	14.23	14.00
Advance from customer	193.51	276.79
	<b>297.25</b>	<b>649.51</b>

\*Statutory dues payable mainly includes contribution to Provident Fund, Goods and service tax (GST), Employee State Insurance, withholding taxes etc.

## 22. Provisions

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2022	December 31, 2020
<b>Provisions for employee benefits</b>		
Gratuity (refer note 32)	5.24	13.16
Compensated absences	24.09	17.72
<b>Other provisions</b>		
Warranties	129.05	106.56
Loss orders	15.92	33.23
	<b>174.30</b>	<b>170.67</b>

### Nature of provisions:

- i **Warranties:** The Company provides warranties for its products, systems and services, undertaking to repair or replace the items that fail to perform satisfactorily during the warranty period. Provision represents the amount of the expected cost based on technical evaluation and past experience of meeting such obligations. It is expected that this expenditure will be incurred over the contractual warranty period.
- ii **Loss orders:** A provision for expected loss on construction contracts is recognised when it is probable that the contract costs will exceed total contract revenue. For all other contracts loss order provisions are made when the unavoidable costs of meeting the obligation under the contract exceed the currently estimated economic benefits.

**Details of changes in provisions during the period (Figures in brackets are in respect of the previous year)**

All amount in Indian Rupees in crores, except as stated otherwise					
Class of provisions	As at January 1, 2021	Additions	Amounts used	Unused Amounts reversed	As at March 31, 2022
Warranties	106.56	47.62	11.60	13.53	129.05
	(92.43)	(32.69)	(5.15)	(13.41)	(106.56)
Loss orders	33.23	12.15	28.99	0.47	15.92
	(22.73)	(28.77)	(16.96)	(1.31)	(33.23)

**23. Revenue from operations**

All amount in Indian Rupees in crores, except as stated otherwise		
	For the 15 months period ended March 31, 2022	For the year ended December 31, 2020
<b>Revenue from contracts with customers</b>		
Sale of products	3,402.27	2,337.90
Revenue from execution of contracts for projects and services	1,226.20	938.84
Sale of services	132.20	71.00
	<b>4,760.67</b>	<b>3,347.74</b>
<b>Other operating revenues</b>		
Scrap sales	37.14	14.58
Commission income	8.90	12.14
Income from development services and other services	75.61	43.60
Others	1.64	2.38
	<b>123.29</b>	<b>72.70</b>
<b>Revenue from operations*</b>	<b>4,883.96</b>	<b>3,420.44</b>

\*Also refer note 38 and 40

**24. Other income**

All amount in Indian Rupees in crores, except as stated otherwise		
	For the 15 months period ended March 31, 2022	For the year ended December 31, 2020
Liabilities/ provisions no longer required written back	41.49	-
Exchange and commodity rate difference (net)	24.51	16.94
<b>Interest income</b>		
Interest on deposits with bank	-	1.18
Interest on security deposit and others	0.94	0.38
	<b>66.94</b>	<b>18.50</b>

**25. Cost of raw materials, components consumed and project bought outs**

All amount in Indian Rupees in crores, except as stated otherwise		
	For the 15 months period ended March 31, 2022	For the year ended December 31, 2020
<b>Raw material and components consumed</b>		
Inventory at the beginning of the period/ year	270.45	332.88
Add : Purchases during the period/ year	2,865.21	1,664.19
Less : Inventory at the end of the period/ year	355.57	270.45
	<b>2,780.09</b>	<b>1,726.62</b>

**26. (Increase)/decrease in inventories of finished goods, work-in-progress and stock-in-trade**

All amount in Indian Rupees in crores, except as stated otherwise		
	For the 15 months period ended March 31, 2022	For the year ended December 31, 2020
<b>Opening stock</b>		
- Finished goods	10.72	12.15
- Work-in-progress	211.79	146.42
- Stock-in-trade	0.28	0.49
	<b>222.79</b>	<b>159.06</b>
<b>Closing stock</b>		
- Finished goods	59.26	10.72
- Work-in-progress	288.34	211.79
- Stock-in-trade	2.34	0.28
	<b>349.94</b>	<b>222.79</b>
	<b>(127.15)</b>	<b>(63.73)</b>

**27. Employee benefits expense**

All amount in Indian Rupees in crores, except as stated otherwise		
	For the 15 months period ended March 31, 2022	For the year ended December 31, 2020
Salaries, wages and bonus	426.27	319.94
Gratuity expense (refer note 32)	8.48	5.23
Contribution to provident fund	14.69	15.36
Contribution to superannuation fund	8.21	6.55
Contribution to other funds*	5.19	4.11
Staff welfare expenses	21.41	15.06
Training, recruitment and transfer expenses	2.50	3.16
	<b>486.75</b>	<b>369.41</b>

\* Includes contribution to Family pension fund, Employee Pension Scheme and Labour Welfare Fund.

**28. Depreciation and amortisation expense**

All amount in Indian Rupees in crores, except as stated otherwise		
	For the 15 months period ended March 31, 2022	For the year ended December 31, 2020
Depreciation of property, plant and equipment (refer note 3)	76.67	60.63
Amortisation of intangible assets (refer note 5)	1.99	5.76
Depreciation of right-of-use assets (refer note 3)	16.80	10.78
	<b>95.46</b>	<b>77.17</b>

**29. Finance costs**

All amount in Indian Rupees in crores, except as stated otherwise		
	For the 15 months period ended March 31, 2022	For the year ended December 31, 2020
Interest expenses	31.51	11.13
Interest on income tax	3.16	-
Bill discounting and other charges	2.52	7.04
Interest on lease liabilities (refer note 36(b))	4.20	2.27
	<b>41.39</b>	<b>20.44</b>



**30. Other expenses**

All amount in Indian Rupees in crores, except as stated otherwise

	For the 15 months period ended March 31, 2022	For the year ended December 31, 2020
Consumption of stores and spares	38.98	24.79
Packing expenses	18.55	10.51
Royalty and technology fees	199.73	150.20
Freight and forwarding	129.40	81.95
Postage and telephone	1.48	0.80
Commission (other than sole selling agent)	3.87	4.64
Power and fuel	73.37	52.14
Travelling and conveyance	40.80	17.97
Insurance	28.05	24.87
Rates and taxes (net)	9.64	2.19
Rent (refer note 36(b))	6.54	6.68
Repairs and maintenance		
Buildings	3.25	1.83
Plant and machinery	29.55	16.94
Others	6.30	3.69
Provision for doubtful debts and advances/ bad debts/ advances written off	26.03	17.33
Loss on sale of fixed assets (net)	1.42	0.65
Printing and stationery	1.46	1.52
Bank charges	11.40	17.11
Legal and professional fees*	56.23	37.09
Trade-mark fees	-	43.59
Corporate social responsibility expenditure (refer note 41)	3.58	4.42
Information technology expenses	133.08	98.49
Director's fees and commission	1.29	1.20
Services from third parties	62.38	39.60
Testing and inspection charges	10.68	6.92
Seminar and publicity expenses	1.46	0.86
Group management fees	94.50	57.47
Miscellaneous	35.86	47.30
	<b>1,028.88</b>	<b>772.75</b>
* Includes auditor's remuneration (exclusive of goods and service tax) towards the following:		
Statutory audit fee (inclusive of out-of-pocket expenses)	0.48	0.48
Tax audit fee	0.27	0.27
Limited review fee	0.36	0.36
Group audit fee/one time certification fee	0.14	0.14
	<b>1.25</b>	<b>1.25</b>

\*\* Also refer note 40

**31. Earnings per share (EPS)**

All amount in Indian Rupees in crores, except as stated otherwise

	For the 15 months period ended March 31, 2022	For the year ended December 31, 2020
The following reflects the income and share data used in the basic and diluted EPS computations:		
<b>Earnings</b>		
Profit attributable to equity shareholders	203.40	99.80
<b>Shares</b>		
Weighted average number of Equity shares outstanding during the period/ year - basic	4,23,81,675	4,23,81,675
Dilutive effect on shares	-	-
Weighted average number of Equity shares outstanding during the period/ year - diluted	4,23,81,675	4,23,81,675
<b>Earnings per share of par value Rs. 2/- each - Basic and diluted (in Rs.)</b>	<b>47.99</b>	<b>23.55</b>

### 32. Post-employment benefit plan

#### Gratuity plan:

Gratuity is payable to all eligible employees of the Company as per the provisions of the Payment of Gratuity Act, 1972 or as per the Company's scheme, whichever is higher. The plan assets were held by Asea Brown Boveri Ltd Employees Gratuity Fund on behalf of the Company. During the period ended March 31, 2022, the aforesaid funds has been transferred to the APPSIL Employees Gratuity Trust (The said trust was duly set up by Company on September 1, 2020 and the same has been approved on February 22, 2021 by Hon'ble Commissioner of Income Tax).

Under the Payment of Gratuity Act, 1972, every employee who has completed five years or more of service gets gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The level of benefits provided depends on the member's length of service and salary at retirement age. The Gratuity scheme provides for a lump sum payment made on exit either by way of retirement, death, disability or voluntary withdrawal. The benefits are defined on the basis of final salary and the period of service and paid as lump sum at exit.

Assumptions relating to future salary increases, attrition, interest rate for discount and overall expected rate of return on assets have been considered based on relevant economic factors such as inflation, market growth and other factors applicable to the period over which the obligation is expected to be settled.

All amount in Indian Rupees in crores, except as stated otherwise			
	March 31, 2022	December 31, 2020	
<b>Gratuity</b>			
The following table sets out movement in defined benefits liability and the amount recognised in the financial statements:			
Gratuity provision	5.24		13.16
<b>Total</b>	<b>5.24</b>		<b>13.16</b>
All amount in Indian Rupees in crores, except as stated otherwise			
	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability
<b>i</b>	<b>Changes in the defined benefit obligation and fair value of plan assets :</b>		
<b>As at January 1, 2020</b>	69.35	65.59	3.76
<b>Gratuity cost charged to statement of profit or loss:</b>			
Service cost	5.12	-	5.12
Net interest expense	4.58	4.47	0.11
<b>Total amount recognised in statement of profit and loss (Note 27)</b>	<b>9.70</b>	<b>4.47</b>	<b>5.23</b>
<b>Remeasurement (gains)/ losses in other comprehensive income:</b>			
Return on plan assets (excluding amounts included in net interest expense)	-	2.76	(2.76)
Actuarial changes arising from changes in financial assumptions	5.29	-	5.29
Actuarial changes arising from changes in experience adjustments	5.54	-	5.54
<b>Total amount recognised in other comprehensive income</b>	<b>10.83</b>	<b>2.76</b>	<b>8.07</b>
Contributions by employer	-	-	-
Benefits paid	(5.46)	(1.56)	(3.90)
<b>As at December 31, 2020</b>	<b>84.42</b>	<b>71.26</b>	<b>13.16</b>
Service cost	7.85	-	7.85
Net interest expense	5.97	5.34	0.63
<b>Total amount recognised in statement of profit and loss (Note 27)</b>	<b>13.82</b>	<b>5.34</b>	<b>8.48</b>
<b>Remeasurement (gains)/ losses in other comprehensive income:</b>			
Return on plan assets (excluding amounts included in net interest expense)	-	2.68	(2.68)
Actuarial changes arising from changes in financial assumptions	(5.45)	-	(5.45)
Actuarial changes arising from changes in experience adjustments	1.52	-	1.52
<b>Total amount recognised in other comprehensive income</b>	<b>(3.93)</b>	<b>2.68</b>	<b>(6.61)</b>
Contributions by employer	-	-	-
Benefits paid	(9.79)	-	(9.79)
<b>As at March 31, 2022</b>	<b>84.52</b>	<b>79.28</b>	<b>5.24</b>

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2022	December 31, 2020
<b>ii Amount recognized in balance sheet</b>		
Present value of funded obligations	84.52	84.42
Fair value of plan assets	79.28	71.26
<b>Net funded obligation</b>	<b>(5.24)</b>	<b>(13.16)</b>
<b>Net defined benefit liability recognised in balance sheet</b>	<b>(5.24)</b>	<b>(13.16)</b>
	<b>For the 15 months period ended March 31, 2022</b>	<b>For the year ended December 31, 2020</b>
<b>iii Expense recognised in statement of profit and loss (refer note 27)</b>		
Current service cost	7.85	5.12
Net interest expense	0.63	0.11
	<b>8.48</b>	<b>5.23</b>
	<b>For the 15 months period ended March 31, 2022</b>	<b>For the year ended December 31, 2020</b>
<b>iv Remeasurements recognised in other comprehensive income</b>		
Actuarial (gain)/ loss on defined benefit obligation	(3.93)	10.83
Return on plan assets excluding interest income	(2.68)	(2.76)
	<b>(6.61)</b>	<b>8.07</b>
<b>v The major categories of plan assets of the fair value of the total plan assets are as follows:</b>		
<b>Investments</b>		
Government of India Securities (Central and State) - Quoted in active markets	0.00%	4.86%
High quality corporate bonds (including Public Sector Bonds) - Quoted in active markets	0.00%	3.85%
Cash	0.00%	5.97%
Scheme of insurance - Conventional products	100.00%	85.32%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>
<b>vi The principal assumptions used in determining gratuity obligations are shown below:</b>		
Discount rate	6.80%	6.00%
Future salary increases	7.75%	7.75%
Employee turnover	Age 20-24 - 12%	Age 20-24 - 12%
	Age 25-34 - 9%	Age 25-34 - 9%
	Age 35-44 - 7%	Age 35-44 - 7%
	Age 45-54 - 4%	Age 45-54 - 4%
	Thereafter 2%	Thereafter 2%
Mortality rate	Mortality (2006-08) Ult.	Mortality (2006-08) Ult.
<b>vii The following payments are expected contributions to the defined benefit plan in future years</b>		
Within the next 12 months (next annual reporting period)	5.24	13.16
Between 2 and 5 years	39.71	26.27
Beyond 5 years	55.16	65.75
<b>Total expected payments</b>	<b>100.11</b>	<b>105.18</b>
The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years (December 31, 2020: 8 years)		

<b>viii A quantitative sensitivity analysis for significant assumption is as shown below:</b>				
Assumptions	As at March 31, 2022		As at December 31, 2020	
	Discount rate	Future salary increases	Discount rate	Future salary increases
<b>Sensitivity analysis</b>				
1% increase	(6.02)	6.78	(6.35)	7.13
1% decrease	6.91	(6.03)	7.33	(6.31)
<b>Impact on defined benefit obligation</b>				

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation from one another.

### 33. Financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liabilities and equity instrument are disclosed in the financial statements.

#### A Fair value of financial assets and financial liabilities

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair value. The following tables presents the carrying value and fair value / amortised cost of each category of financial assets and liabilities:

Particulars	All amount in Indian Rupees in crores, except as stated otherwise	
	Carrying and Fair Value / amortised cost	
	As at March 31, 2022	As at December 31, 2020
<b>Financial assets at amortised cost :</b>		
Loans (refer note 6)	23.16	16.26
Trade receivables (refer note 11)	1,343.81	1,573.90
Cash and cash equivalents (refer note 12)	85.90	318.95
Bank balances other than cash and cash equivalent (refer note 13)	0.04	-
Other financial assets (refer note 14)	113.26	83.89
<b>Financial assets at fair value through profit and loss :</b>		
Derivative instruments (refer note 14)	10.62	36.74
<b>Total financial assets</b>	<b>1,576.79</b>	<b>2,029.74</b>
<b>Financial liabilities at amortised cost:</b>		
Borrowings (refer note 19)	125.00	-
Trade payables (refer note 20)	1,619.00	1,577.98
Lease liabilities (refer note 36(b))	65.00	39.07
Other financial liabilities (refer note 18)	87.81	96.01
<b>Financial liabilities at fair value through profit and loss :</b>		
Derivative instruments (refer note 18)	9.85	19.79
<b>Total financial liabilities</b>	<b>1,906.66</b>	<b>1,732.85</b>

#### Valuation technique and significant unobservable inputs:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

- i) The management assessed the trade receivables, trade payables, loans, cash and cash equivalents, borrowings, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- ii) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:
- iii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

- iv) Lease liabilities are carried at discounted value using incremental borrowing rate.
- v) The Company enters into derivative financial instruments with banks/financial institutions. Foreign currency forward contracts are valued using valuation techniques which employs the use of market observable inputs using present value calculations. The model incorporates various inputs including the deal specific fundamental, market conditions, maturity period, transaction size, comparable trades, foreign currency spot and forward rates.
- vi) Embedded foreign currency are measured similarly to the foreign currency forward contracts. The embedded derivatives are foreign currency forward contracts which are separated from long-term sales contracts and purchase contracts where the transaction currency differs from the functional currencies of the involved parties. These contracts require physical delivery and will be held for the purpose of the delivery of the commodity in accordance with the buyers' expected sale requirements. These contracts have embedded foreign exchange derivatives that are required to be separated.

## B Fair value hierarchy

The following table presents the fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

All amount in Indian Rupees in crores, except as stated otherwise				
Particulars	Amount	Level 1	Level 2	Level 3
<b>Financial assets at fair value through profit and loss :</b>				
<b>Derivative instruments (refer note 14) - As at March 31, 2022</b>	10.62	-	10.62	-
Derivative instruments (refer note 14) - As at December 31, 2020	36.74	-	36.74	-
<b>Financial liabilities at fair value through profit and loss :</b>				
<b>Derivative instruments (refer note 18) - As at March 31, 2022</b>	9.85	-	9.85	-
Derivative instruments (refer note 18) - As at December 31, 2020	19.79	-	19.79	-

There have been no transfers between Level 1, Level 2 and Level 3 for the period ended March 31, 2022 and December 31, 2020.

## C Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, foreign currency risk, liquidity risk and credit risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a Risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The Risk management committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

### (i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, trade payables, deposits, investments, trade receivables, other financial assets and derivative financial instruments.

#### Commodity contracts

The Company uses commodity future contracts to hedge risk against fluctuation in commodity prices. The following are outstanding future contracts entered into by the Company.

Year	Commodity	Number of contracts (Net buy)	Contractual quantity (Net buy)
As at March 31, 2022	Copper	30	584 MT
As at March 31, 2022	Aluminum	6	225 MT
As at December 31, 2020	Copper	30	1029 MT
As at December 31, 2020	Aluminum	9	28 MT



**(ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The Company's risk management policy is to hedge foreign currency exposures above certain thresholds.

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not Company's functional currency (INR).

**a) Unhedged in foreign currency exposure**

The following table analyses the unhedged portion of foreign currency exposure:

Particulars	USD	SEK	EUR	CHF	BTN	Others
<b>Receivables</b>						
<b>As at March 31, 2022</b>						
Foreign Currency (In Crores)	1.22	0.97	0.27	0.23	15.51	2.35
Indian rupees (In Crores)	92.75	7.93	22.82	18.59	15.51	10.55
Impact on profit and loss:						
1% increase	0.93	0.08	0.23	0.19	0.16	0.11
1% decrease	(0.93)	(0.08)	(0.23)	(0.19)	(0.16)	(0.11)
<b>As at December 31, 2020</b>						
Foreign Currency (In Crores)	0.86	2.71	0.23	0.22	15.42	3.66
Indian rupees (In Crores)	62.94	24.24	20.61	17.88	15.42	11.85
Impact on profit and loss:						
1% increase	0.63	0.24	0.21	0.18	0.15	0.12
1% decrease	(0.63)	(0.24)	(0.21)	(0.18)	(0.15)	(0.12)
Particulars	USD	CHF	SEK	EUR	CNY	Others
<b>Payables</b>						
<b>As at March 31, 2022</b>						
Foreign Currency (In Crores)	1.20	0.67	7.32	0.49	2.94	7.71
Indian rupees (In Crores)	91.23	54.66	59.58	41.60	34.98	6.45
Impact on profit and loss:						
1% increase	0.91	0.55	0.60	0.42	0.35	0.06
1% decrease	(0.91)	(0.55)	(0.60)	(0.42)	(0.35)	(0.06)
<b>As at December 31, 2020</b>						
Foreign Currency (In Crores)	1.70	1.16	5.82	0.55	2.07	10.29
Indian rupees (In Crores)	124.19	96.18	52.07	49.46	23.25	8.94
Impact on profit and loss:						
1% increase	1.24	0.96	0.52	0.49	0.23	0.09
1% decrease	(1.24)	(0.96)	(0.52)	(0.49)	(0.23)	(0.09)

**(b) Forward contracts outstanding:**

Currency	March 31, 2022			December 31, 2020		
	Number of Contracts	Amount in Foreign Currency Crores	(Rs. in Crores)	Number of Contracts	Amount in Foreign Currency Crores	(Rs. in Crores)
<b>Exports</b>						
AUD	-	-	-	1	0.02	1.01
CHF	9	0.17	13.74	27	0.46	38.61
EUR	11	0.32	27.02	36	0.45	40.93
SEK	1	1.87	15.38	2	2.22	18.55
USD	120	6.35	489.94	139	3.51	273.76
ZAR	1	0.55	2.53	1	0.14	0.62
			<b>548.61</b>			<b>373.48</b>

Currency	March 31, 2022			December 31, 2020		
	Number of Contracts	Amount in Foreign Currency Crores	(Rs. in Crores)	Number of Contracts	Amount in Foreign Currency Crores	(Rs. in Crores)
<b>Imports</b>						
CHF	13	1.21	102.90	26	0.65	53.36
EUR	4	0.10	8.42	41	0.63	56.70
SEK	50	8.71	72.11	35	9.90	81.96
USD	12	0.61	47.14	57	0.84	63.72
CNY	2	0.59	7.06	25	0.74	8.23
			<b>237.63</b>			<b>263.97</b>

### (iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to changes in interest rates relates primarily to the Company's outstanding Payable to Bank of America. and working capital facility obtained from banks.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	All amount in Indian Rupees in crores, except as stated otherwise	
	March 31, 2022	December 31, 2020
Bank of America	125.00	-

The above loan carries an interest rate of 4.05%. The interest rate is fixed, hence there is no interest rate risk applicable for the Company.

### (iv) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of loan receivables, trade receivables, derivatives, cash and cash equivalents, bank balances and other financial assets of the Company, as well as credit exposure to customers.

The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

#### a) Trade receivables and financial assets

Trade receivables consists of a large number of customers spread across diverse industries.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company tracks changes in credit risk. Further, it recognizes impairment loss allowance based on lifetime expected credit loss ("ECL") at each reporting date, right from initial recognition.

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At year end, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

Individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognised in the statement of profit and loss within other expenses.

Specific allowance for loss has also been provided by the management based on expected recovery on individual customers.

The provision provided in books for trade receivables overdue:

**Reconciliation of loss allowance**

All amount in Indian Rupees in crores, except as stated otherwise		
Particulars	March 31, 2022	December 31, 2020
<b>Balance at the beginning of the period/ year</b>	<b>209.07</b>	<b>196.64</b>
Add: Additional ECL/ specific provision	28.81	47.01
Less: Utilisation/ reversal of ECL/ specific provision	25.46	34.58
<b>Balance at the end of the period/ year</b>	<b>212.42</b>	<b>209.07</b>

Management does not expect any significant loss from non-performance by counterparties on credit granted during the financial year that has not been provided for.

**(b) Other than trade receivables and financial assets**

Management believes that the parties from which the receivables are due have strong capacity to meet the obligations and risk of default is negligible or nil, accordingly only specific allowance is made and no expected credit loss has been recorded.

c) Credit risk from balances with bank and financial institutions is managed by the Company's treasury department in accordance with the Company's policy.

**(v) Liquidity Risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Company maintains flexibility in funding by maintaining availability under committed credit lines.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

All amount in Indian Rupees in crores, except as stated otherwise				
Particulars	On demand	Less than 1 year	More than 1 year	Total
<b>As at March 31, 2022</b>				
<b>Non-derivatives</b>				
Borrowings	-	125.00	-	125.00
Other financial liabilities	-	84.64	3.17	87.81
Lease liabilities	-	17.00	74.36	91.36
Trade payables	-	1,619.00	-	1,619.00
<b>Total non-derivative liabilities</b>	<b>-</b>	<b>1,845.64</b>	<b>77.53</b>	<b>1,923.17</b>
<b>Derivatives (net settled) (refer note 18)</b>				
Embedded derivatives	-	5.50	-	5.50
Foreign currency forward contracts	-	4.35	-	4.35
<b>Total derivative liabilities</b>	<b>-</b>	<b>9.85</b>	<b>-</b>	<b>9.85</b>

All amount in Indian Rupees in crores, except as stated otherwise				
Particulars	On demand	Less than 1 year	More than 1 year	Total
<b>As at December 31, 2020</b>				
<b>Non-derivatives</b>				
Other financial liabilities	-	95.14	0.87	96.01
Lease liabilities	-	14.43	33.39	47.82
Trade payables	-	1,577.98	-	1,577.98
<b>Total non-derivative liabilities</b>	<b>-</b>	<b>1,687.55</b>	<b>34.26</b>	<b>1,721.81</b>
<b>Derivatives (net settled) (refer note 18)</b>				
Embedded derivatives	-	15.25	-	15.25
Foreign currency forward contracts	-	4.54	-	4.54
<b>Total derivative liabilities</b>	<b>-</b>	<b>19.79</b>	<b>-</b>	<b>19.79</b>

### 34. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the shareholders of the Company. Net debt includes borrowings, trade payables, lease liabilities and other financial liabilities net of cash and cash equivalents. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

All amount in Indian Rupees in crores, except as stated otherwise		
Particulars	March 31, 2022	December 31, 2020
Borrowings	125.00	-
Trade payables	1,619.00	1,577.98
Lease liabilities	65.00	39.07
Other financial liabilities	97.66	115.80
Less: Cash and cash equivalents	85.90	318.95
<b>Net Debt</b>	<b>1,820.76</b>	<b>1,413.90</b>
Total equity	1,132.39	932.52
<b>Capital and net debt</b>	<b>2,953.15</b>	<b>2,346.42</b>
<b>Gearing ratio</b>	<b>62%</b>	<b>60%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022.

### 35. Contingent liabilities and contingent assets

All amount in Indian Rupees in crores, except as stated otherwise		
Contingent liabilities (Claims against the Company not acknowledged as debts)	March 31, 2022	December 31, 2020
Other matters	50.11	55.71
	<b>50.11</b>	<b>55.71</b>

The Company does not have any contingent assets at the balance sheet date.

- a) The Company is contesting the demands and the management believes that its position will likely be upheld in the various appellate authorities/ courts. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position.
- b) In respect of the above contingent liabilities, the future cash outflows are determinable only on receipt of judgement pending at various forums/ authorities.
- c) The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. The management is of the view that there are interpretative challenges on the application of the judgement retrospectively. Based on the legal advice and in the absence of reliable measurement of the provision for earlier periods, the Company has made a provision for provident fund contribution pursuant to the judgement only from the date of Supreme Court Order. The Company will evaluate its position and update its provision, if required, on receiving further clarity on the subject, the Company does not expect any material impact of the same.
- d) The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

### 36. Commitments

All amount in Indian Rupees in crores, except as stated otherwise

	March 31, 2022	December 31, 2020
<b>(a) Capital commitments</b>		
Estimated amount of contracts remaining to be executed on account of capital commitments and not provided for (net of advances)	56.95	59.42

#### (b) Leases

Effective January 1, 2020, the Company adopted Ind AS 116, Leases (which replaces the earlier Lease standard) under the modified retrospective approach. Accordingly, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate as on the date of transition and measured right of use asset at an amount equal to lease liability, adjusted for any related prepaid and accrued lease payments previously recognised. There was an impact of Rs. 1.06 crores (net of tax Rs. 0.34 crores) on transition to Ind AS 116 on opening retained earnings as on January 1, 2020.

The Company has lease contracts for building, leasehold land and vehicles used in its operations. Leases of building have lease terms between 2 and 15 years, land is 98 years and motor vehicles have lease terms between 4 and 5 years. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets and some contracts require the Company to maintain certain financial ratios. Some of the lease agreements have escalation clause ranging from 0% to 6% (December 31, 2020: 0% to 6%). There are several lease contracts that include extension and termination options and variable lease payments.

The Company also has certain leases of machinery/Computer equipments with lease terms of 12 months or less and with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. The Company applied a single discount rate to leases of similar economic environment with a similar end date and excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Refer note 3 for carrying value of right of use assets recognised on date of transition and the movements thereof during the period ended March 31, 2022.

Below are the carrying amounts of lease liabilities and the movements during the period/ year:

All amount in Indian Rupees in crores, except as stated otherwise

Particulars	March 31, 2022	December 31, 2020
Opening lease liabilities	39.07	-
On account of transition to Ind AS 116	-	31.74
Additions	44.35	16.86
Accretion of interest	4.20	2.27
Payments	(18.79)	(11.80)
Deletions	(3.83)	-
<b>Closing lease liabilities</b>	<b>65.00</b>	<b>39.07</b>

All amount in Indian Rupees in crores, except as stated otherwise

Particulars	March 31, 2022	December 31, 2020
Current	12.16	11.87
Non-current	52.84	27.20

The following are the amounts recognised in profit or loss for the period/ year ended:

Particulars	March 31, 2022	December 31, 2020
Depreciation charge of right-of-use assets	16.80	10.78
Interest expense on lease liabilities	4.20	2.27
Expense relating to short-term leases and leases of low-value assets (included in other expenses)	6.54	6.68
	<b>27.54</b>	<b>19.73</b>

The Company had total cash outflows for leases of Rs. 25.33 crores for the period ended March 31, 2022 (Rs. 18.48 crores for year ended December 31, 2020).

The maturity analysis of lease liabilities are disclosed in Note 33.

The effective interest rate for lease liabilities is 5% to 7%.

### 37. Segment information

An operating segment is a component that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other components, whose operating results are regularly reviewed by the Company's Chief Operating Decision Maker (CODM) to make decisions about resource allocation and performance assessment and for which discrete financial information is available. The Company is engaged in the business relating to products, projects and services for electricity transmission and related activities. Accordingly, the Company's activities and business is reviewed regularly by the chief operating decision maker from an overall business perspective, rather than reviewing its products/services as individual standalone components. Thus, the Company has only one operating segment, and has no reportable segment in accordance with Ind AS- 108 'Operating Segments'.



## (i) The entity wide disclosures as required by Ind AS-108 are as follows:

All amount in Indian Rupees in crores, except as stated otherwise		
Description	For the 15 Months period ended March 31, 2022	For the year ended December 31, 2020
Sale of products	3,402.27	2,337.90
Revenue from execution of contracts for projects and services	1,226.20	938.84
Sale of services	132.20	71.00
Other operating revenues	123.29	72.70
<b>Revenue from operations</b>	<b>4,883.96</b>	<b>3,420.44</b>

## (ii) Geographical information

All amount in Indian Rupees in crores, except as stated otherwise		
Revenue from customers	For the 15 Months period ended March 31, 2022	For the year ended December 31, 2020
India	3,760.94	2,804.12
Other countries*	1,123.02	616.32
	<b>4,883.96</b>	<b>3,420.44</b>
*Exports to any single country are not material to be disclosed.		
Non-current assets**	March 31, 2022	December 31, 2020
India	776.52	693.27
Other countries*	0.39	-
	<b>776.91</b>	<b>693.27</b>

\*\* Non current assets does not include deferred tax assets, financial assets and non-current tax assets.

- (iii) Power Grid Corporation of India Limited account for more than 10% of Company's total revenue from operations. Also refer note 40<sup>1</sup>.

**38. Revenue from contracts with customers**

## a) Disaggregated revenue information

All amount in Indian Rupees in crores, except as stated otherwise		
Revenue by geography	For the 15 Months period ended March 31, 2022	For the year ended December 31, 2020
India	3,760.94	2,804.12
Other countries*	1,123.02	616.32
	<b>4,883.96</b>	<b>3,420.44</b>

\* Exports to any single country are not material to be disclosed.

All amount in Indian Rupees in crores, except as stated otherwise		
Revenue by offerings/ timing	For the 15 Months period ended March 31, 2022	For the year ended December 31, 2020
<b>Point in time</b>		
Sale of products	3,402.27	2,337.90
Other operating revenue (Scrap sales)	37.14	14.58
<b>Period over time</b>		
Revenue from execution of contracts for projects and services	1,226.20	938.84
Sale of services	132.20	71.00
Other operating revenue (Other than scrap sales)	86.15	58.12
	<b>4,883.96</b>	<b>3,420.44</b>

## b) Contract balances

All amount in Indian Rupees in crores, except as stated otherwise		
	March 31, 2022	December 31, 2020
Trade receivables (refer note 11)	1,343.81	1,573.90
Advance from customer (refer note 21)	193.51	276.79
Billing in excess of contract revenue (refer note 21)	89.51	358.72
Contract assets (refer note 15)	95.25	125.99
Contract revenue in excess of billing / unbilled revenue (refer note 14)	74.89	60.82
	<b>1,796.97</b>	<b>2,396.22</b>

A contract asset is an entity's right to consideration in exchange for goods or services that the entity has transferred to a customer and hence is not a financial instrument. In Company's contracts with customers, since the contractual right to payment arises only upon achievement of milestones specified in the contract, it is believed that the performance completed until the achievement of a particular milestone should be recorded as a contract asset under non-financial assets.

During the period Rs. 111.03 crores of contract assets pertaining to the long term contracts as of January 1, 2021 (January 1, 2020 is Rs. 113.02 crores) has been reclassified to trade receivables upon billing to customers on completion of milestones.

During the period, the Company has recognised of Rs. 345.92 crores arising from opening billing in excess of contract revenue as of January 1, 2021 (January 1, 2020 is Rs. 222.03 crores).

**c) No significant adjustments are expected in contract price for revenue recognised in statement of profit and loss.**

**d) Performance Obligation**

Information about the Company's performance obligations are summarised below:

**i) Long term (Construction type) contracts** - The long term contracts are ordinarily presumed to consist of combined obligations which are not distinct in the context of the contract (i.e., single performance obligation). This is highly attributed to the long-term construction nature of the projects, whereby deliverables are typically highly interrelated and combined. The typical scope of turnkey contracts arrangements includes engineering, manufacturing, shipment, delivery installation, testing, erection and commissioning and civil works. Although there are several components to the overall scope of the contract, the turnkey contracts are generally considered one performance obligation.

**ii) Products manufacturing and erection, commissioning and installation contracts** - These contracts comprising of two performance obligations of supply of products and erection and commissioning thereof. When the manufacturing stage is complete, factory acceptance testing procedures are performed to ensure the equipment meets customer specifications and may involve the customer physically observing the testing procedures. Revenue from contracts, where the performance obligations are satisfied over time and other consideration, is recognized as per the percentage of completion method. The Company uses the percentage of completion method based on the costs expended to the date as a proportion of the total costs to be expended.

Company as part of its contracts, provides warranties of the equipment for defects arising out of poor workmanship, inferior material or manufacturing. Such warranty provided is in the nature of assurance warranty and is not accounted for as a separated performance obligation.

**e) Remaining performance obligations**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue.

The aggregate value of performance obligations that are completely or partially unsatisfied as at March 31, 2022 is Rs. 4,672.29 crores (December 31, 2020 is Rs. 4,954.76 crores). The conversion to revenue is highly dependent on meeting the delivery schedules, contractual terms and conditions with customers, availability of customer sites, changes/ variation in scope/ prices etc. In view of these, it is not practical to define the accurate percentage of conversion to revenue. However, it will be in a range of 1 to 3 years.

**f)** There was no revenue recognised in the current period ended March 31, 2022 from performance obligations satisfied (or partially satisfied) in previous periods due to no significant changes in transaction price.

### 39 Exceptional items

**a) Reimbursement of reorganisation expenses**

During the period ended March 31, 2022, Hitachi Energy Ltd (formerly known as Hitachi ABB Power Grids Ltd), has made one time payment of Rs. 45.64 Crores to the Company towards reimbursement of reorganization costs incurred/ to be incurred by the Company consequent to the separation of Power Grids business. Such reimbursement is pursuant to the global arrangement between ABB Ltd, Switzerland ('ABB'), and Hitachi Ltd, Japan ('Hitachi') being the shareholders of Hitachi Energy Ltd. Accordingly, the reimbursement of Rs 35.85 Crore received towards the expenditure already

incurred by the Company, after separation, has been disclosed as an exceptional item in the statement of profit and loss and balance reimbursements received of Rs 9.79 Crores has been accounted as advances as at March 31, 2022 towards liability to be incurred in the subsequent years.

**b) Provision towards doubtful customer receivables and additional project cost**

During the year ended December 31, 2020, the Company had re-evaluated its claims/ dues in respect of certain old, slow moving contracts. Whilst the Company was actively pursuing its dues from these customers, in view of significant delays by customers and based on the analysis of the customer's ability to pay, the Company had made additional provisions aggregating to Rs 28.07 crores and the same was disclosed as an exceptional item in the statement of profit and loss for the year ended December 31, 2020.

**c) Demerger expenses**

During the year ended December 31, 2020, the Company had incurred professional charges of Rs. 7.43 crores pursuant to the scheme of demerger and the same was disclosed as an exceptional item in the statement of profit and loss for the year ended December 31, 2020.

**40. Related party disclosures**

**Party where control exists: (refer note 16(f))**

ABB Limited, Zurich, Switzerland (Ultimate Holding Company)  
 ABB Asea Brown Boveri Limited, Zurich, Switzerland (Holding Company)  
 Hitachi Limited (Ultimate Holding Company)  
 Hitachi Energy Limited (Holding Company)

**Entities under common control**

**Name of the Fellow subsidiaries:**

ABB (China) Ltd., Beijing, China	ABB Malaysia Sdn Bhd., Subang Jaya, Malaysia
ABB (Hong Kong) Ltd., Hong Kong, Hong Kong Special Administrative Region of China	ABB Management Services Ltd., Zurich, Switzerland
ABB (Namibia) (Pty) Ltd., Windhoek, Namibia	ABB Mexico S.A. de C.V., San Luis Potosi SLP, Mexico
ABB (Private) Ltd., Harare, Zimbabwe	ABB N.V., Zaventem, Belgium
ABB A/S, Skovlunde, Denmark	ABB Near East Trading Ltd., Amman, Jordan
ABB AB, Västerås, Sweden	ABB Oy, Helsinki, Finland
ABB AG, Mannheim, Germany	ABB Power Grids Hong Kong Limited, Hong Kong, Hong Kong Special Administrative Region of China
ABB AS, Fornebu, Norway	ABB Power Grids International Marketing FZ-LC, Dubai, United Arab Emirates
ABB Asea Brown Boveri Ltd, Zurich, Switzerland	ABB Power Grids Investment (China) Limited, Beijing, China
ABB Australia Pty Limited, Moorebank, NSW, Australia	ABB Power Grids Sécheron SA, Satigny, Switzerland (Formerly known as ABB Sécheron S.A.)
ABB Automation (Thailand) Co., Ltd., Bangkok, Thailand	ABB Power System Co. Ltd., Beijing, China (Formerly known as ABB Sifang Power System Co. Ltd.)
ABB Automation GmbH, Mannheim, Germany	ABB Pte. Ltd., Singapore, Singapore
ABB Beijing Switchgear Limited, Beijing, China	ABB S.A., Buenos Aires, Argentina
ABB Bulgaria EOOD, Sofia, Bulgaria	ABB S.A., Casablanca, Morocco
ABB Chongqing Transformer Company Ltd., Chongqing, China	ABB S.A., Lima, Peru
ABB Electrical Equipment (Xiamen) Co., Ltd., Xiamen, China	ABB S.A., Santiago, Chile
ABB Electrical Industries Co. Ltd., Riyadh, Saudi Arabia	ABB S.p.A., Milan, Italy
ABB Elektrik Sanayi A.S., Istanbul, Turkey	ABB s.r.o., Prague, Czech Republic
ABB E-mobility B.V., Delft, Netherlands (Formerly known as ABB B.V.)	ABB SARL, Kinshasa Gombe, Congo, Democratic Republic of the
ABB Engg. Technologies Co. (KSCC), Safat, Kuwait	ABB Schweiz AG, Baden, Switzerland
ABB for Electrical Industries (ABB ARAB) S.A.E., Cairo, Egypt	ABB South Africa (Pty) Ltd., Modderfontein, South Africa
ABB Global Business Services And Contracting India Private Limited, Bangalore, India (Formerly known as ABB Substations Contracting India Private Limited)	ABB Sp. z o.o., Warsaw, Poland
ABB Global Industries and Services Private Limited, Bangalore, India	ABB Technology SA, Abidjan, Cote d'Ivoire
ABB Global Marketing FZ LLC, Dubai, United Arab Emirates	ABB Transmission & Distribution Limited LLC, Abu Dhabi, United Arab Emirates
ABB High Voltage Switchgear (Xiamen) Company Ltd., Xiamen, China	ABB Xiamen Surge Arrestor Co., Ltd., Xiamen, China (Formerly known as ABB Xiamen Surge Arrestor Co. Ltd.)
ABB High Voltage Switchgear Co., Ltd. Beijing, Beijing, China	ABB Xi'an Power Capacitor Company Limited, Xi'an, China
ABB Inc., Cary, NC, United States	ABB, Inc., Paranaque, Metro Manila, Philippines
ABB Inc., Saint-Laurent, Quebec, Canada	ABBNG Limited, Lagos, Nigeria
ABB India Limited, Bangalore, India	ABBPowerGrids Philippines, Inc., Paranaque City, Philippines
ABB Industries (L.L.C.), Dubai, United Arab Emirates	Asea Brown Boveri Electrica SGPS (Angola) Limitada, Luanda, Angola
ABB Industries FZ, Dubai, United Arab Emirates	Asea Brown Boveri Lanka (Private) Limited, Colombo, Sri Lanka
ABB Information Systems Ltd., Zurich, Switzerland	Asea Brown Boveri Ltd., Moka, Mauritius
ABB Jiangsu Jingke Instrument Transformer Co., Ltd., Suqian, Jiangsu, China	Asea Brown Boveri S.A., Madrid, Spain
ABB Limitada, Maputo, Mozambique	Hitachi Energy (Thailand) Limited, Bangkok, Thailand (Formerly known as ABB Power Grids (Thailand) Limited)
ABB Limited, Dar Es Salaam, Tanzania, United Republic of	Hitachi Energy Argentina S.A.U., Ciudad Autonoma de Buenos Aires, Argentina (Formerly known as ABB Power Grids Argentina S.A.U.)
ABB Limited, Dhaka, Bangladesh	Hitachi Energy Australia Pty Ltd, Moorebank, New South Wales, Australia (Formerly known as ABB Power Grids Australia Pty Ltd)
ABB Limited, Nairobi, Kenya	Hitachi Energy Belgium N.V., Zaventem, Belgium (Formerly known as ABB Power Grids Belgium N.V.)
ABB Limited/Jordan LLC., Amman, Jordan	Hitachi Energy Brasil Ltda, Guarulhos, Brazil (Formerly known as ABB Ltda.)
ABB Lineage Power Mexico, S. de R.L. de C.V.; Mexico; Mexico	Hitachi Energy Bulgaria EOOD, Sevlievo, Bulgaria (Formerly known as ABB Power Grids Bulgaria EOOD)
ABB LLC, Doha, Qatar	Hitachi Energy Canada Inc., Saint-Laurent, Quebec, Canada (Formerly known as ABB Power Grids Canada Inc)
ABB LLC., Muscat, Oman	
ABB Ltd., Kampala, Uganda	
ABB Ltd., Lusaka, Zambia	
ABB Ltd., Seoul, Korea, Republic of	

Hitachi Energy Chile S.A., Santiago, Chile  
(Formerly known as ABB Power Grids Chile SA)  
Hitachi Energy Colombia Ltda, Bogotá, Colombia  
(Formerly known as ABB Power Grids Colombia Ltda)  
Hitachi Energy Czech Republic s.r.o., Trutnov, Czech Republic  
(Formerly known as ABB Power Grids Czech Republic s.r.o)  
Hitachi Energy d.o.o., Zagreb, Croatia  
(Formerly known as ABB Power Grids Zagreb d.o.o.)  
Hitachi Energy Denmark A/S, Skovlunde, Denmark  
(Formerly known as ABB Power Grids Denmark A/S)  
Hitachi Energy Finland Oy, Vaasa, Finland  
(Formerly known as ABB Power Grids Finland Oy)  
Hitachi Energy Germany AG, Mannheim, Germany  
(Formerly known as ABB Power Grids Germany AG)  
Hitachi Energy Greece Single Member Societe Anonyme, Metamorphosis Attica, Greece  
(Formerly known as ABB Power Grids Greece Single Member SA)  
Hitachi Energy Holdings Ltd, Zurich, Switzerland  
(Formerly known as ABB PG Power Grids Ltd)  
Hitachi Energy Ireland Limited, Dublin, Ireland  
(Formerly known as ABB Power Grids Ireland Limited)  
Hitachi Energy Italy S.p.A., Milano, Italy  
(Formerly known as ABB Power Grids Italy S.p.A.)  
Hitachi Energy Japan Ltd., Tokyo, Japan  
(Formerly known as ABB Power Grids Japan, Ltd.)  
Hitachi Energy Korea Ltd., Seoul, Korea, Republic of  
(Formerly known as ABB Power Grids Korea Ltd.)  
Hitachi Energy L.L.C., Dubai, United Arab Emirates  
(Formerly known as ABB Power Grids LLC)  
Hitachi Energy LLC, Muscat, Oman., Oman  
(Formerly known as ABB PG Muscat LLC)  
Hitachi Energy Ltd, Moscow, Russia  
(Formerly known as ABB Power Grids Ltd.)  
Hitachi Energy Ltd., Riyadh, Saudi Arabia  
(Formerly known as ABB Contracting Company Ltd.)  
Hitachi Energy Malaysia Sdn. Bhd., Selangor, Malaysia  
(Formerly known as ABB Power Grids Malaysia Sdn Bhd)  
Hitachi Energy New Zealand Limited, Auckland, New Zealand  
(Formerly known as ABB Power Grids New Zealand Limited)  
Hitachi Energy Norway AS, Oslo, Norway  
(Formerly known as ABB Power Grids Norway AS)  
Hitachi Energy Peru S.A., Lima, Peru  
(Formerly known as ABB Power Grids Peru S. A.)  
Hitachi Energy Poland Sp. z o.o., Warsaw, Poland  
(Formerly known as ABB Power Grids Poland Sp. z.o.o.)  
Hitachi Energy Portugal, S.A., Oeiras, Portugal  
(Formerly known as ABB Power Systems Portugal)  
Hitachi Energy Romania S.R.L., Bucharest, Romania  
(Formerly known as ABB SRL)  
Hitachi Energy Services Sp. z o.o., Warsaw, Poland  
(Formerly known as ABB PG Business Services Sp. z o.o.)  
Hitachi Energy Singapore Pte. Ltd., Singapore, Singapore  
(Formerly known as ABB Power Grids Singapore Pte. Ltd.)

Hitachi Energy Solutions FZCO, Dubai, United Arab Emirates  
(Formerly known as ABB Power Grids Solutions FZCO)  
Hitachi Energy South Africa (Pty) Ltd, Johannesburg, South Africa  
(Formerly known as ABB Power Grids South Africa (Pty) Ltd)  
Hitachi Energy Spain, S.A.U., Madrid, Spain  
(Formerly known as ABB Power Grids Spain, S.A.)  
Hitachi Energy Sucursal Panamá, S.A., Panama, Panama  
(Formerly known as Sucursal Panama de ABB SA)  
Hitachi Energy Sweden AB, Västerås, Sweden  
(Formerly known as ABB Power Grids Sweden AB)  
Hitachi Energy Switzerland Ltd, Baden, Switzerland  
(Formerly known as ABB Power Grids Switzerland Ltd)  
Hitachi Energy Systems L.L.C., Abu Dhabi, United Arab Emirates  
(Formerly known as ABB POWER GRIDS SYSTEMS LLC)  
Hitachi Energy Taiwan Co., Ltd., Taipei, Taiwan (Chinese Taipei)  
(Formerly known as ABB Power Grids Co., Ltd.)  
Hitachi Energy Technology S.A.E., Cairo, Egypt  
(Formerly known as ABB for Power Grids S.A.E)  
Hitachi Energy Technology Services Private Limited, Bangalore, India  
(Formerly known as ABB Power Technology Services Private Limited)  
Hitachi Energy The Netherlands B.V., Rotterdam, Netherlands  
(Formerly known as ABB Power Grids The Netherlands B.V.)  
Hitachi Energy Transformers S.A.E, Fifth Settlement, New Cairo, Egypt  
(Formerly known as ABB Transformers S.A.E.)  
Hitachi Energy Turkey Elektrik Sanayi Anonim Şirketi, İstanbul, Turkey  
(Formerly known as ABB Power Grids Turkey Elektrik Sanayi Anonim Şirketi)  
Hitachi Energy UK Limited, Stone, United Kingdom  
(Formerly known as ABB Power Grids UK Limited)  
Hitachi Energy USA Inc., Raleigh, NC, United States  
(Formerly known as ABB Enterprise Software Inc.)  
Hitachi Energy Vietnam Company Limited, Hanoi, Vietnam  
(Formerly known as ABB Ltd.)  
Hitachi Hi-Rel Power Electronics Private Limited  
Hitachi Systems India Private Limited  
(Formerly known as Hitachi Systems Micro Clinic Private Limited)  
Johnson Controls-Hitachi Air Conditioning India Limited  
PT ABB Sakti Industri, Jakarta, Indonesia  
PT. Hitachi Sakti Energy Indonesia, Jakarta, Indonesia  
(Formerly known as PT. ABB Power Grids Indonesia)  
Pucaro Elektro-Isolierstoffe GmbH, Roigheim, Germany  
Tata Hitachi Construction Machinery Company Private Limited  
Hitachi Energy Technologies W.L.L., Bahrain, Bahrain  
Nanjing SAC Automation Co. Ltd., Nanjing, Jiangsu, China  
ABB LLP., Almaty, Kazakhstan  
ABB Panama Sales, S.A., Panama, Panama  
ABB Algeria Produits SpA, Hydra, Algeria  
ABB Shanghai Power System Engineering Co., Ltd., Shanghai, China  
ABB Hefei Transformer Co. Ltd., Hefei, China  
Hitachi Energy Technologies L L C, Doha, Qatar  
Hitachi Energy Trading S.A.E, Cairo, Egypt.  
(Formerly known as ABB Holding for Power Grids S.A.E)  
Hitachi India Pvt. Ltd, Delhi, India

**Name of the Fellow associates:**

Linxon India Private Limited

Linxon India Engineering Private Limited

**Key managerial personnel :****(a) Managing Director and Chief Executive Officer**

Nuguri Venu

**(b) Non-Executive Director**

Achim Michael Braun (appointed w.e.f. February 25, 2021)  
Ismo Antero Haka (appointed w.e.f. February 25, 2021)  
Frank Duggan (resigned w.e.f. February 25, 2021)  
Sanjeev Sharma (resigned w.e.f. February 25, 2021)

**(c) Non-Executive cum Independent Directors**

Akhila Krishnakumar  
Nishi Vasudeva  
Mukesh Hari Butani

**(d) Chief Financial Officer**

Ajay Singh

**(e) Company Secretary**

Poovanna C Ammatanda

**Transactions with related parties**

Transaction value in excess of 10% with a fellow subsidiary has been individually disclosed below. All other cases have been grouped and disclosed as 'other fellow subsidiaries'.

All amount in Indian Rupees in crores, except as stated otherwise

	For the 15 months period ended March 31, 2022	For the year ended December 31, 2020
<b>i) Revenue from operations</b>		
Ultimate Holding Company		
- Hitachi Limited (w.e.f. July 1, 2020)	19.83	-
<b>Holding Company</b>		
- Hitachi Energy Limited (w.e.f. February 5, 2021)	19.33	-

Fellow Subsidiaries		
- ABB India Limited; Bangalore; India <sup>1</sup>	193.15	1,146.83
- Hitachi Energy USA Inc., Raleigh, NC, United States (Formerly known as ABB Enterprise Software Inc.)	124.32	47.45
- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	106.99	88.27
- Other fellow subsidiaries	477.79	326.89
Fellow Associates		
- Linxon India Private Limited	41.19	80.99
	<b>982.60</b>	<b>1,690.43</b>
<b>ii) Other income</b>		
Fellow Subsidiaries		
- ABB Asea Brown Boveri Ltd, Zurich, Switzerland (w.e.f February 5, 2021)	30.58	-
- Other fellow subsidiaries	1.47	-
	32.05	-
<b>iii) Purchases of raw materials, components , project items, stock-in-trade and sub-contracting expenses</b>		
Fellow Subsidiaries		
- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	170.93	143.82
- ABB India Limited; Bangalore; India <sup>1</sup>	150.48	242.45
- Hitachi Energy Vietnam Company Limited, Hanoi, Vietnam (Formerly known as ABB Ltd.)	88.26	56.78
- Other fellow subsidiaries	147.63	108.80
Fellow Associates		
- Linxon India Private Limited	-	2.34
	<b>557.30</b>	<b>554.19</b>
<b>iv) Expenditure on royalty, technology and trade-mark fees</b>		
Fellow Subsidiaries		
- Hitachi Energy Switzerland Ltd, Baden, Switzerland (Formerly known as ABB Power Grids Switzerland Ltd)	197.56	64.46
- ABB Schweiz AG, Baden, Switzerland	-	81.03
- Other fellow subsidiaries	2.17	48.30
	<b>199.73</b>	<b>193.79</b>
<b>v) Expenditure on information technology, engineering, management and other services</b>		
Holding Company		
- Hitachi Energy Limited (w.e.f. February 5, 2021)	72.76	-
Fellow Subsidiaries		
- Hitachi Energy Holdings Ltd, Zurich, Switzerland (Formerly known as ABB PG Power Grids Ltd)	62.59	36.11
- Hitachi Energy Technology Services Private Limited, Bangalore, India (Formerly known as ABB Power Technology Services Private Limited)	51.74	21.62
- ABB India Limited; Bangalore; India	42.98	58.67
- ABB Information Systems Ltd., Zurich, Switzerland	26.62	35.99
- Hitachi Energy Limited (till February 4, 2021)	-	43.29
- Other fellow subsidiaries	39.90	26.04
Fellow Associates		
- Linxon India Private Limited	-	0.21
	<b>296.59</b>	<b>221.93</b>
<b>vi) Expenses recovered from group companies</b>		
Holding Company		
- Hitachi Energy Limited (w.e.f. February 5, 2021) (refer note 39(a))	38.90	-
Fellow Subsidiaries		
- Hitachi Energy Switzerland Ltd, Baden, Switzerland (Formerly known as ABB Power Grids Switzerland Ltd)	15.09	1.60
- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	5.42	0.12
- Hitachi Energy Limited (till February 4, 2021)	0.10	8.95



- ABB India Limited; Bangalore; India	1.08	2.04
- Other fellow subsidiaries	3.04	4.98
	<b>63.63</b>	<b>17.69</b>
<b>vii) Other capital expenditure</b>		
Fellow Subsidiaries		
- ABB India Limited; Bangalore; India	37.59	16.64
- Other fellow subsidiaries	3.40	0.88
	<b>40.99</b>	<b>17.52</b>
<b>viii) Reimbursement of capital expenditure</b>		
Holding Company		
- Hitachi Energy Limited (w.e.f. February 5, 2021) (refer note 3(iv))	26.41	-
<b>ix) Interest expenses</b>		
Fellow Subsidiaries		
- ABB India Limited, Bangalore, India	-	3.85
<b>x) Loan repaid</b>		
- ABB India Limited, Bangalore, India	-	347.62
<b>xi) Dividend paid</b>		
Holding Company		
- Hitachi Energy Limited (w.e.f. February 5, 2021)	6.36	-
<b>xii) Remuneration to key managerial personnel</b>		
The remuneration of key management personnel and a relative of key management personnel of the company are set out below in aggregate for each of the categories specified in Ind AS 24 Related party disclosures		
<b>Particulars</b>		
Short term employee benefits	10.36	4.37
Post employment benefits#	0.44	0.29
Directors' Sitting fees	0.14	0.10
Commission to Directors	1.15	1.10
<b>Total</b>	<b>12.09</b>	<b>5.86</b>
# Does not include gratuity and compensated absences as these are provided in the books of accounts on the basis of actuarial valuation for the Company as a whole and hence individual amount cannot be determined.		
<b>xiii) Company has issued back-to-back guarantee to Linxon India Private Limited during the period amounting to Rs. 3.80 crore which is outstanding as at March 31, 2022.</b>		
<b>Amount due to / from related parties</b>		
Balances in excess of 10% with a fellow subsidiary has been individually disclosed below. All other cases have been grouped and disclosed as 'other fellow subsidiaries'.		
	<b>As at March 31, 2022</b>	<b>As at December 31, 2020</b>
<b>i) Trade receivables</b>		
Holding Company		
- Hitachi Energy Limited	4.29	-
Fellow Subsidiaries		
- ABB India Limited, Bangalore, India'	142.80	316.58
- Other fellow subsidiaries	211.42	142.33
Fellow Associates		
- Linxon India Private Limited	16.42	66.76
	<b>374.93</b>	<b>525.67</b>
<b>ii) Loans and other financial assets</b>		
Holding Company		
- Hitachi Energy Limited (refer note 3(iv))	26.41	-
Fellow Subsidiaries		
- ABB India Limited; Bangalore; India	6.10	14.15
- Other fellow subsidiaries	0.19	0.97
	<b>32.70</b>	<b>15.12</b>

<b>iii) Other current assets</b>		
Holding Company		
- Hitachi Energy Limited	0.66	-
Fellow Subsidiaries		
- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	6.34	31.73
- ABB Power Grids International Marketing FZ-LC, Dubai, United Arab Emirates	1.55	-
- Other fellow subsidiaries	4.91	4.95
	<b>13.46</b>	<b>36.68</b>
<b>iv) Trade payables</b>		
Fellow Subsidiaries		
- ABB India Limited, Bangalore, India <sup>1</sup>	142.40	198.83
- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	80.52	113.98
- Hitachi Energy Switzerland Ltd, Baden, Switzerland (Formerly known as ABB Power Grids Switzerland Ltd)	58.82	63.19
- Other fellow subsidiaries	177.89	274.66
Fellow Associates		
- Linxon India Private Limited	3.22	5.29
	<b>462.85</b>	<b>655.95</b>
<b>v) Other financial liabilities</b>		
Fellow Subsidiaries		
- ABB India Limited, Bangalore, India	32.79	36.94
- Other fellow subsidiaries	-	2.81
	<b>32.79</b>	<b>39.75</b>
<b>vi) Other current liabilities</b>		
Holding Company		
- Hitachi Energy Limited (refer note 39(a))	9.79	-
Fellow Subsidiaries		
- Hitachi Energy Sweden AB, Västerås, Sweden (Formerly known as ABB Power Grids Sweden AB)	7.05	0.17
- Hitachi Energy Colombia Ltda, Bogotá, Colombia (Formerly known as ABB Power Grids Colombia Ltda)	6.14	-
- Hitachi Energy Brasil Ltda, Guarulhos, Brazil (Formerly known as ABB Ltda.)	3.56	-
- Hitachi Energy Korea Ltd., Seoul, Korea, Republic of (Formerly known as ABB Power Grids Korea Ltd.)	-	2.86
- Hitachi Energy The Netherlands B.V., Rotterdam, Netherlands (Formerly known as ABB Power Grids The Netherlands B.V.)	-	1.00
- Hitachi Energy Vietnam Company Limited, Hanoi, Vietnam (Formerly known as ABB Ltd.)	0.35	0.68
- Other fellow subsidiaries	6.19	1.66
Fellow Associates		
- Linxon India Private Limited	-	0.48
	<b>33.08</b>	<b>6.85</b>

<sup>1</sup>Pursuant to demerger of Power Grid business from ABB India Limited ('ABB'), as detailed in note 16(g), the Company has accounted sales and purchases towards the contracts yet to be novated by the Company with customers and vendors. The aforesaid sales and purchases has been included in the revenue from operations and cost of sales of the Company. The receivables and payables on account of the same has been included in trade receivables and payables respectively.

vii) Also refer sl. no. xiii of transactions with related parties.

#### 41. Corporate social responsibility expenses

As per the Section 135 of the Companies Act 2013 ('Act'), the Board shall ensure that the Company spends, in every financial year, at least two per cent of the average of the net profits of the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility ('CSR') Policy. Hence, the Company falls within the ambit of Section 135 of the Act and is required to contribute the amount stipulated under the aforesaid provisions of the Act.

Particulars		For the 15 months period ended March 31, 2022		For the year ended December 31, 2020		
a)	Gross amount required to be spent by the Company during the period/ year		3.58	4.42		
b)	Amount approved by the Board to be spent during the period/ year		3.58	4.42		
c)	Amount spent during the period ending on 31 March 2022:					
		<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>		
i)	Construction/acquisition of any assets	-	-	-		
ii)	On purposes other than (i) above	2.15	1.43	3.58		
d)	Amount spent during the year ending on 31 December 2020:					
		<b>In cash</b>	<b>Yet to be paid in cash</b>	<b>Total</b>		
i)	Construction/acquisition of any assets	-	-	-		
ii)	On purposes other than (i) above	0.83	3.59	4.42		
e)	Details related to spent/ unspent obligations:					
			<b>March 31, 2022</b>	<b>December 31, 2020</b>		
i)	Contribution to Public Trust		-	0.62		
ii)	Contribution to Charitable Trust		2.15	0.21		
iii)	Amount yet to be paid in cash in relation to:					
	- Ongoing project		1.43	3.59		
	- Other than ongoing project		-	-		
			<b>3.58</b>	<b>4.42</b>		
f)	Details of ongoing project					
<b>Opening balance</b>		<b>Amount spent during the period</b>		<b>Closing balance</b>		
With Company	In separate CSR unspent account	<b>Amount required to be spent during the period</b>	From Company's bank account	From separate CSR unspent account	With Company	In Separate CSR unspent account
3.59	-	3.58	2.40	3.23	1.43	0.11

42. The Company is in the process of conducting a transfer pricing study as required by the transfer pricing regulations under the Income Tax Act, 1961 ('regulations') to determine whether the transactions entered during the year ended March 31, 2022, with the associated enterprises were undertaken at "arm's length price". The management confirms that all the transactions with associate enterprises are undertaken at negotiated prices on usual commercial terms and is confident that the aforesaid regulations will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

43. The spread of COVID-19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations due to lockdowns, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. The Company has evaluated its liquidity position and of recoverability and carrying values of its assets/ liabilities and has concluded that no material adjustments are required at this stage in these financial statements.

44. Certain amounts (currency value or percentages) shown in the various tables and paragraphs included in the financial statements have been rounded off or truncated as deemed appropriate by the management of the Company.

As per our report of even date

For **S.R. Batliboi & Associates LLP**  
Chartered Accountants  
Firm registration number: 101049W/E300004

For and on behalf of the Board of Directors of  
**Hitachi Energy India Limited**  
**(Formerly known as ABB Power Products and Systems India Limited)**  
Corporate identity number (CIN) : L31904KA2019PLC121597

**per Sandeep Karnani**  
Partner  
Membership no. 061207

**Achim Michael Braun**  
Chairman and Director  
DIN: 08596097

**Nuguri Venu**  
Managing Director and CEO  
DIN: 07032076

**Mukesh Hari Butani**  
Director  
DIN: 01452839

**Ajay Singh**  
Chief Financial Officer

**Poovanna C Ammatanda**  
General Counsel &  
Company Secretary  
(FCS4741)

Place : Bengaluru  
Date : May 27, 2022

Bengaluru  
May 27, 2022







**Hitachi Energy India Limited**

Registered Office :

8<sup>th</sup> Floor, Brigade Opus,  
70/401, Kodigehalli Main Road,  
Bengaluru - 560 092, Karnataka